

## NEWS IN BRIEF

### Harbour oil wells go-ahead

FOUR test oil wells are to be sunk in Poole Harbour, Dorset, without the Department of Environment calling in BP's application for consideration. Back page.

### Teachers review

THE National Union of Teachers is likely to lose its majority in a review of the Burnham committee teachers' panel. Page 2; Letters, page 14.

### Bombs fear

SPAIN fears a bombing campaign by Basque terrorists on the Costa Blanca after the explosions on Wednesday night. Back page.

### Finance turmoil

THERE was turmoil on Wall Street yesterday as fears spread about the stability of the American financial system. Page 17.

### School lifeline

A COMPREHENSIVE school threatened with closure is planning to raise £2 million by selling off land. Page 4.

### Inquiry snub

PRISON officers have refused to take part in an investigation into ill-treatment at a detention centre. Page 2.

### GCHQ warning

A SECOND official who rejoined the GCHQ union faces disciplinary measures from the Cheltenham management. Page 3.

### £60 m loss blame

DOCTORS blamed health authorities administered for an estimated loss to the NHS of £60 million in private fees. Page 2.

### Football deadline

THE television companies have given the Football League a three-week deadline to agree a deal on televised matches. Page 28.



"If I want to keep my right to vote I'll have to join a peace camp."

### The weather

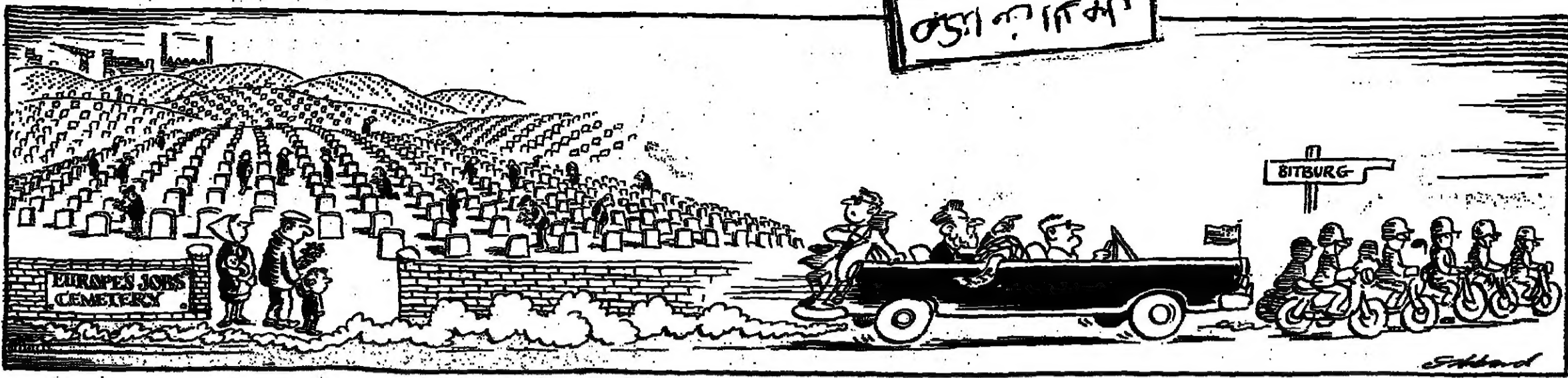
SUN and showers. Details back page.

THE GUARDIAN IN EUROPE	100 p
Austria	25 p
Belgium	25 p
Denmark	25 p
France	25 p
Germany	25 p
Italy	25 p
Netherlands	25 p
Spain	25 p
Sweden	25 p
Switzerland	25 p
UK	25 p

### The days to victory



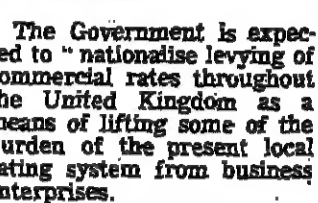
IN THE build-up to the VE-Day celebrations, the Guardian will be recreating the atmosphere of the approaching peace by publishing war pages from the papers of May 1945. We begin tomorrow with the Guardian of May 5, 1945, which reported the surrender to Field-Marshal Montgomery of the German forces in Holland, Denmark, and North-West Germany.



Poll tax on residents follows relief for commerce

## Cabinet plan to 'nationalise' business rates

By Ian Aitken,  
Political Editor



Norman Fowler —  
Madison Avenue style

THE Government is expected to "nationalise" levying of commercial rates throughout the United Kingdom as a means of lifting some of the burden of the present local rating system from business enterprises.

The proposal is the first phase of a plan to reform radically the rating system, including a possible switch of the present domestic rate to a poll tax.

This emerged in Whitehall last night after the Cabinet had spent four hours discussing a separate plan for radical changes in the welfare state, including proposals to end housing benefit and force the unemployed and the poor to pay a share of their housing and rate costs.

However, the Cabinet did not vote on the proposals for the abolition of the state earnings related pension scheme or to subject the row between Mr Norman Fowler, the Social Services Secretary, and Mr Nigel Lawson, the Chancellor.

The Prime Minister cut short the discussion in order to go to the Bonn summit, and it now seems unlikely that the Cabinet will return to Mr Fowler's welfare state review until next Thursday.

The argument over earnings related pensions will be central to the debate, however. Mr Fowler has argued that the Government should not be seen to be "presenting" the welfare state in a series of slides and charts.



Norman Fowler —  
Madison Avenue style

Equally pressing for Mrs Thatcher is the issue of rate reform. She has pledged the Government to update the system of local government rates, after failing to deliver her own original plan to abolish the rates altogether.

She has also pledged the Government to update the system of local government rates, after failing to deliver her own original plan to abolish the rates altogether.

Ministers are now moving towards agreement on a new system of financing local government which is intended to lift some of the burden from businesses and to restore the links between paying rates and voting in local elections.

The first stage in this plan is a centralisation of the business rate, which bears a far larger share of the burden of local government expenditure than that shouldered by inner city areas by local residents.

The fact that local business men and women are no longer able to vote in council elections is regarded by ministers for consultation to be completed. This could be done by the end of next month as part of the annual statement on the up-rating of benefits for November.

The proposals now circulating in the Department of Health and Social Security accept that consultations would be required on proposals to abolish the death and the maternity grants, to "means test" maternity benefit, and the ending of supplementary benefit payments to cover mortgage interest payments.

as an affront to the principle of "accountability". It is therefore proposed that the Government shall set a nationwide level for commercial rates, the proceeds from which will then be redistributed to local authorities by central government on the same basis as councils receive Treasury grants towards their expenditure.

This formula is calculated on the basis of local need — a formula described as grant related expenditure. The amount received by individual councils would not be linked to the amount of their proposed expenditure, but will be calculated on the basis of an abstract assessment of the expenditure necessary to cover basic necessities.

If this is the first phase in the Government's latest bid to control local authority spending, it would be a significant step towards the second.

This is proposed to be a form of poll tax, intended to take over from the domestic rate and replace it with a direct link between being ratepayers and spending by way of a tax on individual residents not householders.

The proposal has caused a bitter row within the Government and has replaced it with a direct link between being ratepayers and spending by way of a tax on individual residents not householders.

He has argued that such a poll tax would look very like a tax on the right to vote, and he has flatly refused to allow a direct link between being ratepayers and spending by way of a tax on individual residents not householders.

Mr Britton declared his opposition to the proposal. He has argued that such a poll tax would look very like a tax on the right to vote, and he has flatly refused to allow a direct link between being ratepayers and spending by way of a tax on individual residents not householders.

### Reagan wins backing on trade

From Christopher Huhne  
and Derek Browne  
in Bonn

PRESIDENT Reagan succeeded last night in recruiting the bulk of America's most powerful allies in his campaign to launch a new round of world talks on trade liberalisation next year.

The main obstacle to agreement in the summit of the leaders of the world's seven most important industrial countries appeared to be President Mitterrand. He was holding out last night for a parallel progress on world monetary reform.

Talks between Mr Reagan and Mr Mitterrand were described on the French side as cool but firm. Nevertheless, senior French officials last night seemed to be prepared for a diplomatically phrased retreat, rather than risk being isolated in the summit.

A spokesman stressed that the summit was in favour of new trade negotiations. "The summit was not a meeting of experts which could commit itself sensibly to specific procedures or dates. Its purpose was rather to sketch a broad outline of a new approach."

There would be no real solutions in the commercial field without solutions to monetary problems. The French want to declare limits on currency movements, proposals which the seven leaders flew in to a heavily policed Bonn consisted of a flurry of ceremonies and bilateral meetings.

Heads of state and government. Turn to back page, col. 4.

THE expelled Foreign Office diplomat, Miss Carol Robson (above), returned home from Moscow yesterday saying that the Soviet action had no justification. The two other expelled diplomats accused of spying, Naval Attaché Captain John Marshall and Lt Cdr Martin Littleboy, are returning via Finland.

### April jobless figure worst for two years

By David Simpson,  
Business Correspondent

The Government disclosed yesterday that more people joined the jobless roll in April than in any other single month for two years. This announcement came just two days after an optimistic Confederation of British Industry survey claimed that employment prospects were improving.

The unemployment level rose to a new peak of 13.1 per cent last month, with an extra 29,200 people out of work, pushing the seasonally adjusted jobless total up to 3,177,300.

Department of Employment officials put some of the blame for the April rise on the reluctance of employers to hire more workers ahead of the Easter holiday, but that this reason could not cover the entire increase. The underlying trend remains unchanged with an average 14,000 still joining the unemployment list each month, a spokesman said.

The large jump in the jobless total in the month which completed the Tories' sixth year in office provoked a stream of criticisms of the Government's economic record from Opposition parties, and seems bound to fuel the growing unease on the Conservative back benches over Mrs Thatcher's employment strategies.

Mr Peter Walker, the Energy Secretary, last night said that the attack on unemployment could be more vigorously pursued and that manufacturing industry had a part to play in economic growth.

Labour's employment spokesman, Mr John Prescott, yesterday commented that the Prime Minister remained resolute in her determination to throw people out of work. "Despite having achieved the highest level of unemployment this century over her six years in office, she has flown off to the Bonn summit to convince other leaders of the need for more deflation and more unemployment," he said.

The Liberal leader, Mr David Steel, condemned the Government's failure to tackle unemployment. He added: "The country is fed up hearing from the Conservatives that recovery is about to arrive. The figures yet again show that it is not."

Defending the figures, the Employment Secretary, Mr Tom King, claimed that the April leap in the unemployment level appeared to be an erratic movement and should not be read as indicating any change in the underlying pattern.

"These figures are in contrast with the encouraging increase in the number of new jobs, the report only this week by the CBI of improved prospects for employment, and indeed with the recent trend of unemployment figures," he added.

The real unemployment level in April rose by almost 5,000 to 3,278,000, with a fall of 4,816 in the number of unemployed school leavers outweighed by a 9,238 increase in the number of adult unemployed. On a seasonal basis, the number of adult unemployed had been expected to fall by 20,000. There was a substantial fall in April in the number of previously registered unemployed who found jobs.

Excluding school leavers, only 328,000 people found jobs during the month, compared with 374,000 in March, and 354,000 in April last year — indicating that there is still little if any evidence of new job creation on a material scale.

Walker calls for economic change, back page; Agenda, page 11.

level of unemployment this century over her six years in office, she has flown off to the Bonn summit to convince other leaders of the need for more deflation and more unemployment," he said.

The Liberal leader, Mr David Steel, condemned the Government's failure to tackle unemployment. He added: "The country is fed up hearing from the Conservatives that recovery is about to arrive. The figures yet again show that it is not."

Defending the figures, the Employment Secretary, Mr Tom King, claimed that the April leap in the unemployment level appeared to be an erratic movement and should not be read as indicating any change in the underlying pattern.

Employment Secretary, Mr Tom King, claimed that the April leap in the unemployment level appeared to be an erratic movement and should not be read as indicating any change in the underlying pattern.

Walker calls for economic change, back page; Agenda, page 11.

level of unemployment this century over her six years in office, she has flown off to the Bonn summit to convince other leaders of the need for more deflation and more unemployment," he said.

The Liberal leader, Mr David Steel, condemned the Government's failure to tackle unemployment. He added: "The country is fed up hearing from the Conservatives that recovery is about to arrive. The figures yet again show that it is not."

Defending the figures, the Employment Secretary, Mr Tom King, claimed that the April leap in the unemployment level appeared to be an erratic movement and should not be read as indicating any change in the underlying pattern.

Employment Secretary, Mr Tom King, claimed that the April leap in the unemployment level appeared to be an erratic movement and should not be read as indicating any change in the underlying pattern.

Employment Secretary, Mr Tom King, claimed that the April leap in the unemployment level appeared to be an erratic movement and should not be read as indicating any change in the underlying pattern.

Employment Secretary, Mr Tom King, claimed that the April leap in the unemployment level appeared to be an erratic movement and should not be read as indicating any change in the underlying pattern.

Employment Secretary, Mr Tom King, claimed that the April leap in the unemployment level appeared to be an erratic movement and should not be read as indicating any change in the underlying pattern.

### Cuban advisers leave Nicaragua

From Derek Browne in Managua

The first contingent of Cuban military advisers left Nicaragua yesterday amidst reports that the Contra rebels, with further secret funding, are moving back into the country for a further onslaught on the Sandinista Government.

President Reagan said yesterday that the US trade boycott would go ahead whatever the outcome of the summit of world leaders or the World Court. The President, replying to Nicaraguan threats to take the US to the World Court, brusquely dismissed any chance of a successful recourse.

He said US officials said that Britain, West Germany, Canada and Japan had all signalled willingness to take part in a new round of the general agreement on tariffs and trade early next year.

The American progress was the more impressive in having been achieved even before the formal opening of the summit today. Yesterday's activity at the seven leaders flew in to a heavily policed Bonn consisted of a flurry of ceremonies and bilateral meetings.

Heads of state and government. Turn to back page, col. 4.

### Diplomat back home

THE expelled Foreign Office diplomat, Miss Carol Robson (above), returned home from Moscow yesterday saying that the Soviet action had no justification. The two other expelled diplomats accused of spying, Naval Attaché Captain John Marshall and Lt Cdr Martin Littleboy, are returning via Finland.

He said US officials said that Britain, West Germany, Canada and Japan had all signalled willingness to take part in a new round of the general agreement on tariffs and trade early next year.

The American progress was the more impressive in having been achieved even before the formal opening of the summit today. Yesterday's activity at the seven leaders flew in to a heavily policed Bonn consisted of a flurry of ceremonies and bilateral meetings.

Heads of state and government. Turn to back page, col. 4.

THE expelled Foreign Office diplomat, Miss Carol Robson (above), returned home from Moscow yesterday saying that the Soviet action had no justification. The two other expelled diplomats accused of spying, Naval Attaché Captain John Marshall and Lt Cdr Martin Littleboy, are returning via Finland.

### The only person who should decide the terms of your loan.

The most important condition we make about a standing loan is that you make the conditions. We don't try to tell you what to do with your money. You can borrow between £2,000 and £20,000 for almost any purpose you like. And we not only do we offer you a competitive interest rate (currently 18.4% APR variable), we also provide endowment protection for your dependents.

The Loan is made by Sterling Trust Limited and can be used for almost any purpose (including consolidation of several debts into one, thereby reducing your monthly outgoings). You can repay over 10 or 15 years. Interest is paid on the amount borrowed at our current rate of only 14.2% per month (variable). The loan must be secured on your home. Sorry, no tenants.

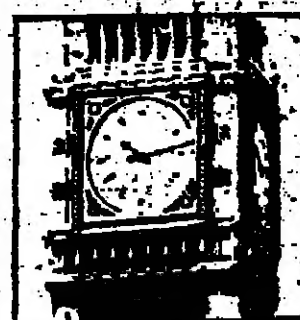
For further details and a personal quotation simply post the coupon or telephone us now.

Mr. [Name] [Address] [Postcode]

Mr. [Name] [Address] [Postcode]

Mr. [Name] [Address] [Postcode]





David McKie

## Tapping veins of popular wisdom

SOME SWEAR by the simple good sense of the man on the Clapham omnibus. Mr. John Biffen, leader of the Commons and MP for North Shropshire, prefers another, more local test: the wisdom of the taproom bar at Llanymedwyl.

He paid his first public tribute to the assembled drinkers in his new famous letter to his constituents, feeling the first faint glimmerings of a turnaround in unemployment. The SDP leader, David Owen, was one of several MPs anxious to discover yesterday if Mr. Biffen's optimism had survived yesterday's record unemployment figures—and whether his constituent-wondering wisdom was making of them.

Since the pub, which is called the Horseshoe, doesn't appear to be on the phone, that couldn't be checked last night. Yet one way and another this was a Commons day which would have given taprooms everywhere no shortage of themes to mull over.

The technicalities which have dominated the week—pension funding, bank liquidity, the single transferable allowance (or as the Financial Secretary to the Treasury, Mr. John Moore, twice inadvertently called it, the Finance Bill debate, the single transferable

The day in politics, page 8

vote)—gave way yesterday to such ancient universal preoccupations as travel, football, the British Sunday, and pubs.

Mrs. Thatcher's travels, for instance. Conal Gregory (C), York and Selby, a question, inquiring for the North Yorkshire, to inspect that miracle of perfection, which is the Conservative-controlled county council. Mrs. T. couldn't answer, as she was in Bonn—observing, as Labour's John Fraser put it, "Friday's Reagan's diplomatic skills at first hand."

But Mr. Biffen, who deputised, promised to dangle the prospect before her when she returned. Then the Shadow Secretary of State, Lord Canning, invited her to broaden her horizons, by visiting Wembley, so ending her "boy-cott" of the Cup Final—an opportunity, he provocatively added, to see Manchester United winning the cup.

Elsewhere on the football front, there was further grim-faced discussion about people who are guilty, as the Conservative Mr. Geoffrey Dickens put it, of "misdeeds" at football grounds. The Home Secretary endorsed Mr. Dickens's views about the value of video surveillance, though he twice failed to commit any specific action for the police's use of video.

Hardly was Mr. Biffen's clear of football before Mrs. Thatcher's lively junior minister, Mr. David Mellor, was doing battle with an odd assortment of questions from Tory right-wingers about Stanbrook to the Pled Pledge of a schoolroom rebellion. Mr. Mellor's reply was to direct the British Sunday from the "Auto Report" to Stanbrook because of what it might do to the church and Mr. Mellor because of what it might do to the church.

Over a hundred Tory MPs have signed a motion approving the report, and the subcommittee are getting behind it. Mr. Mellor's reply was to direct the British Sunday from the "Auto Report" to Stanbrook because of what it might do to the church and Mr. Mellor because of what it might do to the church.

All that would have troubled a choral at Llanymedwyl, since they're perched on the border with Wales, where Sunday opening was so furiously disputed. They'd have seen rather less relevance perhaps in the debate which followed on a law reform bill for Scotland, during which Labour's John Macdonald moved an amendment enabling the Scottish Secretary to ban the opening of pubs within a mile of specified sporting events.

In the world mostly support, either Shrewsbury or Wrexham, where crowd riots are as rare nowadays as crowds. One wonders though, about that taproom. There are pre-arranged, Mr. Biffen should to its arbitration again that wisdom wasn't relocated sometime ago in the altogether less evocative surroundings of the saloon.

## Brittan pushes drug law to seize assets

By Alan Travis

Legislation allowing police to confiscate the assets of drug traffickers will be produced in the lifetime of this Parliament, the Home Secretary Mr. Leon Brittan said yesterday.

He also failed to rule out a demand that the law be changed to allow police to act before suspects were convicted. In the past, Home Office ministers have warned of the dangers of making inroads into the cherished legal principle that the burden of proof must lie with the prosecution.

The Conservative MP for Derby North, Mr. Greg Knight received an acknowledgment from Mr. Brittan when he called for urgent measures. "There is a case for doing something radical as to giving the police immediate powers of seizure before conviction and shifting the burden of proof so that drug dealers will have to prove they obtained their assets by legitimate means to avoid forfeiture," he said.

The Home Secretary pledged that the law would be changed in the lifetime of this Parliament and said there was the case for acting on Mr. Knight's demand. "Existing powers are inadequate," he agreed, but I would not want the court to feel that they should not be used as far as they go."

The Association of Chief Police Officers demanded powers to confiscate before conviction at their conference on Wednesday. Under their plan, the accused dealer's family would be allowed funds to live on until the jury's verdict. If the prosecution failed, all funds and property would be returned.

A white paper on public order reviewing police powers on demonstrations is to be published before the end of this month, Brittan told the Commons yesterday.

The review will not cover the issues raised by the policing of the miners' strike as was first expected. Members of the Association of Chief Police Officers are still working on a report on the operational lessons of the year-long dispute and the Home Office has decided against delaying the white paper for its completion.

NEWS IN BRIEF

### Virus toll reaches 24

THE unidentified virus yesterday claimed its 24th Staffordshire victim in two weeks when a woman aged 82 died from pneumonia at Stafford district hospital, writes Andrew Veitch.

Two Stafford men—one aged 35, the other 72—and a woman aged 72 from Hednesford, Cannock were admitted to the hospital yesterday. Scientists trying to identify the virus—thought to be influenza B—are due to report to Stafford's infection control committee today.

### Menuhin British

THE violinist Yehudi Menuhin has become a British citizen, it was disclosed yesterday. He became naturalised in February, but it was decided that no announcement should be made until he had attended a reception in his honour on Wednesday, hosted by Lord Gower, the arts minister.

### Bomb defused

ARMY experts last night defused a 500lb bomb packed into creamery cans and left in the centre of Newton-Butter, County Fermanagh, near the border with the Irish Republic. About 200 locals were moved overnight from their homes.

### Service sentences

TWO leading Welsh language campaigners were yesterday ordered to undertake community service after being found guilty at Abergele magistrates court of causing criminal damage to government offices in North Wales. They were Ms. Angharad Thomas, aged 28, a former chairwoman of the Welsh Language Society, and Ms. Gwenith Huws, 21, a student.

### Band cancels visit

A visit to the Irish Republic later this year by the New York Irish Emerald Police Society Band had been called off after complaints that it would be used for political purposes by the IRA.

### Master move

MAGNUS Magnusson, the chairman of the television knowledge test, Mastermind, is to join the BBC Birmingham Pebble Mill at One live programme as a presenter when the series resumes in September. He will continue as chairman of Mastermind.

### Moving up

THE next commissioner of the City of London police is to be Mr. Owen Kelly, 53, the assistant to the present commissioner, Peter Marshall who retires on June 30.

Weaker unions see Joseph's plan as way to get more conciliatory voice in negotiations

## Burnham review will end NUT dominance

By John Fairhall, Education Editor

Sir Keith Joseph, the Education Secretary, is to change the composition of the teachers' panel of the Burnham pay negotiating committee, effectively ending its domination by the National Union of Teachers.

The National Association of Schoolmasters/Union of Women Teachers, the National Association of Head Teachers, and the Professional Association of Teachers have been campaigning for years to break the NUT's majority. They resent the ability of the NUT to outvote all the others and then speak nominally for all teachers.

The NAS/UWT said yesterday that if the NUT did not have its Burnham majority, the talks on restructuring teachers' pay would have been kept alive and conciliation more possible. The talks broke down when the NUT refused to continue.

The PAT general secretary, Mr. Peter Dawson, insisted that a way would have been found out of the present strike-bound pay impasse, "many, many weeks ago if it had not been for the determination of the NUT to have the war. The present dispute is not about pay, but about NUT power. They have to demonstrate their ability to disrupt."

The NUT called the move unnecessary and "vicious". Seats on the Burnham teachers' panel are based largely on the strength of the unions at the last review in December 1979, which gave the NUT 16 representatives, the NAS/UWT 7, the NAHT 2, the Assistant Masters' and Mistresses' Association 4, PAT and the National Association of Teachers in Further and Higher Education one each.

Sir Keith's review will use the figures for December 31, 1984 of fully paid up members in local authority schools in England and Wales, leaving out members in Scotland and Northern Ireland, and also excluding unemployed, student, retired, associate members, and those working in independent schools.

The NUT's membership has fallen since 1979. PAT's has increased and other unions' figures have changed. But the NUT's claimed figure of 21,000-strong NAHT, Mr. David Hart, said the NUT no longer represented a majority of the profession.

The heads' attempt, during this year's pay round, to table their own salary claim was blocked by the NUT. Last night Mr. Hart said: "We would be looking to Sir Keith to recognise in some way the unique position of heads, not only as employees, but as the people who have to run the schools."

The NUT's deputy general secretary, Mr. Doug McAvoy, said the union had nothing to hide. "We will now seek to prove that the representation afforded the union remains justified."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

have its Burnham majority, the talks on restructuring teachers' pay would have been kept alive and conciliation more possible. The talks broke down when the NUT refused to continue.

The PAT general secretary, Mr. Peter Dawson, insisted that a way would have been found out of the present strike-bound pay impasse, "many, many weeks ago if it had not been for the determination of the NUT to have the war. The present dispute is not about pay, but about NUT power. They have to demonstrate their ability to disrupt."

The NUT called the move unnecessary and "vicious". Seats on the Burnham teachers' panel are based largely on the strength of the unions at the last review in December 1979, which gave the NUT 16 representatives, the NAS/UWT 7, the NAHT 2, the Assistant Masters' and Mistresses' Association 4, PAT and the National Association of Teachers in Further and Higher Education one each.

Sir Keith's review will use the figures for December 31, 1984 of fully paid up members in local authority schools in England and Wales, leaving out members in Scotland and Northern Ireland, and also excluding unemployed, student, retired, associate members, and those working in independent schools.

The NUT's membership has fallen since 1979. PAT's has increased and other unions' figures have changed. But the NUT's claimed figure of 21,000-strong NAHT, Mr. David Hart, said the NUT no longer represented a majority of the profession.

The heads' attempt, during this year's pay round, to table their own salary claim was blocked by the NUT. Last night Mr. Hart said: "We would be looking to Sir Keith to recognise in some way the unique position of heads, not only as employees, but as the people who have to run the schools."

The NUT's deputy general secretary, Mr. Doug McAvoy, said the union had nothing to hide. "We will now seek to prove that the representation afforded the union remains justified."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

The Government's clear objective was to divert attention from the main issue of teachers' pay, he said. "The decision is clearly in favour of the NUT."

information which needed examination it was his duty to give it to the police. "If no such information exists then it is equally their duty to remain silent and allow the police to get on with their work," he added.

Ms Jill Cove, who chairs the National Association of Probation Officers, said they had raised the matter because of the number of complaints received from independent sources.

Probation officers themselves could not give police direct witness evidence of any allegations of violence because they could not be on the spot when the incidents were alleged to have taken place.

Inmates who made allegations of violence while they were in the institution often asked the probation officer not to take them up because they feared retributions.

They were more likely to come forward with details once they had left the institution. Ms Cove added that if an internal inquiry was held the association would encourage its members to make representations. "We would see it as very much up to the POA to encourage their members to take part also," she said.

The Home Secretary, Mr. Leon Brittan, wrote in Community Care magazine yesterday that the Government's policy on detention centres was fully justified on its merits.

There were two key elements in the regime. The first was a "particularly brisk and structured initial two-week programme, including increased emphasis on parades and inspections, minimal privileges and association and basic work."

Secondly, the grade system had been sharpened so that eligibility for increased association, privileges, and the less basic kinds of work were dependent on effort and good conduct.

Some commentators have caricatured the new regime as harsh and brutal. That is not so, we have taken steps to ensure that it strikes a proper balance.

day that they refused to participate in internal inquiries where allegations of a criminal nature had been made. They believed police should investigate such allegations.

A Home Office spokesman said yesterday that police were still investigating the allegations at the centre near Ashford, Kent. It is understood that the inquiry is likely to be completed soon. If no charges are brought, the Home Office would consider setting up an internal inquiry.

Home Office spokesman said he could not comment on how such an inquiry would be conducted without the co-operation of prison officers.

Mr. Evans said yesterday that if any probation officer had

up, there is hardly a case that has stood up."

He said that the BMA planned to meet the Department of Health officials to draw up a new system to collect money.

He was commenting on claims by Mr. Michael Meschter, Labour's social services spokesman, that a significant minority of consultants, committed fraud.

Mr. Meschter made the allegations after Sir Gordon Downey, the Comptroller and Auditor General, refused to fully certify health authority accounts after "serious and persistent failures" to collect money from private patients who used NHS facilities.

Mr. Chawner said allegations that consultants had swindled the NHS out of millions of pounds were based on tittle-tattle and had no basis in fact.

He said that a special audit of 37 authorities had shown many examples of health authorities failing to have an adequate system to pick up

in Wakefield, Yorkshire, auditors found that in two similar hospitals, one collected fees while the other did not.

Mr. Paddy Ross, deputy chairman of the BMA's consultants committee, said yesterday that part of the problem was the series of complex regulations and codes of practice covering private fees. He hoped that the Department of Health would agree to simplify and codify the system so that doctors and administrators would understand it.

There were opposition protests on the committee at the disclosure of the new funds. Mr. Adrian Slade, the Liberal leader, accused the council of carrying out "creative fiddling," not creative accounting, and said that the new figures meant that the budget six weeks ago had been made on entirely false premises.

Mr. Alan Greengross, the Tory leader, said that the Labour group had "ripped off Londoners" and was intent on pouring ever growing sums down the drain.

There were opposition protests on the committee at the disclosure of the new funds. Mr. Adrian Slade, the Liberal leader, accused the council of carrying out "creative fiddling," not creative accounting, and said that the new figures meant that the budget six weeks ago had been made on entirely false premises.

Mr. Alan Greengross, the Tory leader, said that the Labour group had "ripped off Londoners" and was intent on pouring ever growing sums down the drain.

There were opposition protests on the committee at the disclosure of the new funds. Mr. Adrian Slade, the Liberal leader, accused the council of carrying out "creative fiddling," not creative accounting, and said that the new figures meant that the budget six weeks ago had been made on entirely false premises.

Mr. Alan Greengross, the Tory leader, said that the Labour group had "ripped off Londoners" and was intent on pouring ever growing sums down the drain.

There were opposition protests on the committee at the disclosure of the new funds. Mr. Adrian Slade, the Liberal leader, accused the council of carrying out "creative fiddling," not creative accounting, and said that the new figures meant that the budget six weeks ago had been made on entirely false premises.

Mr. Alan Greengross, the Tory leader, said that the Labour group had "ripped off Londoners" and was intent on pouring ever growing sums down the drain.

There were opposition protests on the committee at the disclosure of the new funds. Mr. Adrian Slade, the Liberal leader, accused the council of carrying out "creative fiddling," not creative accounting, and said that the new figures meant that the budget six weeks ago had been made on entirely false premises.

Mr. Alan Greengross, the Tory leader, said that the Labour group had "ripped off Londoners" and was intent on pouring ever growing sums down the drain.

There were opposition protests on the committee at the disclosure of the new funds. Mr. Adrian Slade, the Liberal leader, accused the council of carrying out "creative fiddling," not creative accounting, and said that the new figures meant that the budget six weeks ago had been made on entirely false premises.

Mr. Alan Greengross, the Tory leader, said that the Labour group had "ripped off Londoners" and was intent on pouring ever growing sums down the drain.

There were opposition protests on the committee at the disclosure of the new funds. Mr. Adrian Slade, the Liberal leader, accused the council of carrying out "creative fiddling," not creative accounting, and said that the new figures meant that the budget six weeks ago had been made on entirely false premises.

Mr. Alan Greengross, the Tory leader, said that the Labour group had "ripped off Londoners" and was intent on pouring ever growing sums down the drain.

There were opposition protests on the committee at the disclosure of the new funds. Mr. Adrian Slade, the Liberal leader, accused the council of carrying out "creative fiddling," not creative accounting, and said that the new figures meant that the budget six weeks ago had been made on entirely false premises.

Mr. Alan Greengross, the Tory leader, said that the Labour group had "ripped off Londoners" and was intent on pouring ever growing sums down the drain.

Police who broke up a gang trading in pirate videos claimed in court yesterday that their operation had put an end to video piracy in Britain.

Detective Chief Inspector Michael Collins, who organised the police operation, made the claim in evidence at the Knightsbridge crown court in central London yesterday, where two men were gaoled for nine months at the end of an eight-week trial.

Detective Chief Inspector Collins said: "Since the arrest of the men, it is a fact that no film has been removed from a UK cinema and pirated films are coming in

from America, but not from Britain."

The two men gaoled were Manohar Jagwani, the former manager of the Ace Cinema, Stoke Newington, north London, and Terence Jayes, the organisation's courier.

Mr. John Lloyd-Ely, prosecuting, said the men had been involved in piracy since 1979, when a scale with copied cassettes being distributed in this country and abroad. The profits were enormous.

"They used a £50,000 Rank Cintel copying machine which takes two or three hours to make a master tape from which thousands of high quality cassettes can be made," he said.

Jagwani, aged 30, of Forest Gate, east London, was found guilty of piracy by a jury in 1980. He was sentenced to 18 months in prison for piracy in 1980.

Mr. Jayes, 29, of Forest Gate, was found guilty of piracy by a jury in 1980. He was sentenced to 18 months in prison for piracy in 1980.

Mr. Jayes, 29, of Forest Gate, was found guilty of piracy by a jury in 1980. He was sentenced to 18 months in prison for piracy in 1980.

Mr. Jayes, 29, of Forest Gate, was found guilty of piracy by a jury in 1980. He was sentenced to 18 months in prison for piracy in 1980.

Mr. Jayes, 29, of Forest Gate, was found guilty of piracy by a jury in 1980. He was sentenced to 18 months in prison for piracy in 1980.

Mr. Jayes, 29, of Forest Gate, was found guilty of piracy by a jury in 1980. He was sentenced to 18 months in prison for piracy in 1980.

Mr. Jayes, 29, of Forest Gate, was found guilty of piracy by a jury in 1980. He was sentenced to 18 months in prison for piracy in 1980.

Mr. Jayes, 29, of Forest Gate, was found guilty of piracy by a jury in 1980. He was sentenced to 18 months in prison for piracy in 1980.

Mr. Jayes, 29, of Forest Gate, was found guilty of piracy by a jury in 1980. He was sentenced to 18 months in prison for piracy in 1980.

Mr. Jayes, 29, of Forest Gate, was found guilty of piracy by a jury in 1980. He was sentenced to 18 months in prison for piracy in 1980.

Mr. Jayes, 29, of Forest Gate, was found guilty of piracy by a jury in 1980. He was sentenced to 18 months in prison for piracy in 1980.

Do not go my love, Fever of Love.

At her peak she wrote 10,000 words a day, working latterly from an attic room in her Baywards Heath home. She collaborated with Roland Pertwee on one successful play, Heat Wave, and was a regular broadcaster.

Her own marriages were the stuff of fiction. Her first husband, to whom she was married for 18 years, she described as good and kind, but their sex life was a disaster. Her second husband, who survives her, Neil Pearson, she met when she was 41. "Across a crowded drawing room over-looked the Nile there he was. It was love at first sight," A.McH.

She survived it remarkably well. She published her first story in the children's section of The Lady when she was 12 and by 19 was working on the Dundee Courier. After the war she began freelancing and novel writing. Her titles—translated into most languages—have telling titles. —mother of three daughters, Secret Hour, Moment of Love, A.McH.

Do not go my love, Fever of Love.

At her peak she wrote 10,000 words a day, working latterly from an attic room in her Baywards Heath home. She collaborated with Roland Pertwee on one successful play, Heat Wave, and was a regular broadcaster.

Her own marriages were the stuff of fiction. Her first husband, to whom she was married for 18 years, she described as good and kind, but their sex life was a disaster. Her second husband, who survives her, Neil Pearson, she met when she was 41. "Across a crowded drawing room over-looked the Nile there he was. It was love at first sight," A.McH.

She survived it remarkably well. She published her first story in the children's section of The Lady when she was 12 and by 19 was working on the Dundee Courier. After the war she began freelancing and novel writing. Her titles—translated into most languages—have telling titles. —mother of three daughters, Secret Hour, Moment of Love, A.McH.

Do not go my love, Fever of Love.

At her peak she wrote 10,000 words a day, working latterly from an attic room in her Baywards Heath home. She collaborated with Roland Pertwee on one successful play, Heat Wave, and was a regular broadcaster.

Her own marriages were the stuff of fiction. Her first husband, to whom she was married for 18 years, she described as good and kind, but their sex life was a disaster. Her second husband, who survives her, Neil Pearson, she met when she was 41. "Across a crowded drawing room over-looked the Nile there he was. It was love at first sight," A.McH.

She survived it remarkably well. She published her first story in the children's section of The Lady when she was 12 and by 19 was working on the Dundee Courier. After the war she began freelancing and novel writing. Her titles—translated into most languages—have telling titles. —mother of three daughters, Secret Hour, Moment of Love, A.McH.

Do not go my love, Fever of Love.

At her peak she wrote 10,000 words a day, working latterly from an attic room in her Baywards Heath home. She collaborated with Roland Pertwee on one successful play, Heat Wave, and was a regular broadcaster.

Her own marriages were the stuff of fiction. Her first husband, to whom she was married for 18 years, she described as good and kind, but their sex life was a disaster. Her second husband, who survives her, Neil Pearson, she met when she was 41. "Across a crowded drawing room over-looked the Nile there he was. It was love at first sight," A.McH.

She survived it remarkably well. She published her first story in the children's section of The Lady when she was 12 and by 19 was working on the Dundee Courier. After the war she began freelancing and novel writing. Her titles—translated into most languages—have telling titles. —mother of three daughters, Secret Hour, Moment of Love, A.McH.

Do not go my love, Fever of Love.

At her peak she wrote 10,000 words a day, working latterly from an attic room in her Baywards Heath home. She collaborated with Roland Pertwee on one successful play, Heat Wave, and was a regular broadcaster.

merger. She described the gathering as outrageous and gross abuse of Mr. Graham's privileges.

Mr. Graham replied that the things meeting—a to be held during the CPSA conference before the debate on the planned merger—was being financed by the individual officials involved.

Mr. Graham argues that a merger would make sound financial sense, from both the financial and organisational point of view. Mrs. Losinska insists that it is the society, and not the CPSA, which is in financial trouble. Her dissenters, along with the right, are opposed to the merger, but on the grounds that, under the plan—due to come into effect on January 1 or the full-time officials, only the general secretary would be elected. The rest would be appointed by the executive.

The Government yesterday told Civil Service unions that it had rejected their request to take its average 4.9 per cent pay offer to arbitration. Mr. Bill McCall, general secretary of the Institution of Professional Civil Servants, described the move as a "flagrant breach" of the existing arbitration agreement.

The Civil Service Union's Blackpool conference yesterday overwhelmingly refused to have its general secretary elected in a ballot of the 36,000 members.

merger. She described the gathering as outrageous and gross abuse of Mr. Graham's privileges.

Mr. Graham replied that the things meeting—a to be held during the CPSA conference before the debate on the planned merger—was being financed by the individual officials involved.

Mr. Graham argues that a merger would make sound financial sense, from both the financial and organisational point of view. Mrs. Losinska insists that it is the society, and not the CPSA, which is in financial trouble. Her dissenters, along with the right, are opposed to the merger, but on the grounds that, under the plan—due to come into effect on January 1 or the full-time officials, only the general secretary would be elected. The rest would be appointed by the executive.



## Million dollars to explore Victorian library

By Donald Wintersgill, Arts Sales Correspondent

THE LIBRARY of Sir Richard Burton, the Victorian explorer, author, linguist, scholar and translator of the Arabian Nights, is up for sale at £1 million.

In spite of all his exploits, Burton is still somewhat of a mystery figure.

The library of about 2,500 books and pamphlets reflects his astonishing range of interests. Many of the margins and fly-leaves bear his notes and comments.

These are especially valuable because his widow Isabel destroyed his private diaries and other manuscripts after his death. She thought that some of his literary work was pornographic and forbade anything to be published without the consent of the National Vigilance Society.

Of his Arabian Nights, a biographer wrote: "It would be absurd to ignore the fact that the attraction lies not so much in the translation as in the notes and the terminal essay, where certain subjects of curiosity are discussed with naked freedom."

Burton's fame followed the example of high repute, and indulging a taste which is more widespread than modern prudery will allow."

Burton served in the Indian Army and the British consular service. He travelled in the Middle East, India, North and South America, Iceland, and West Africa. His most famous exploits were to reach Mecca in disguise and to seek the sources of the Nile.

He was also a master swordsman, interested in falconry, a fine translator and brilliant at disguise.

Lady Burton's sister wanted the books destroyed but they were saved and eventually given to Kensington borough council, which stored them in a cellar.

During the second world war the cellar was flooded and the books damaged. They were again rescued, this time by the librarians of the Royal Anthropological Institute.

The Institute has laid down conditions for the sale which is by private bargain not auction, and will be handled by Sotheby's. The buyer must keep the library together and allow scholars access.

Mr Jonathan Benthall, director of the Institute, said yesterday: "We could make a higher price if we let the library be sold piecemeal at auction. We do not want that."

"The Institute is not in financial difficulty, but our premises are on a short lease and we could be out at short notice. Some of the money from the sale will be used to buy premises and the rest will be used for other projects."

"This is not an anthropological library but the working library of someone who was an important anthropologist. It is really about nineteenth-century culture and nineteenth-century exploration."

The British Library has said it is not in the market for the books.



Children try out gas masks at an event in London to learn what life was like in wartime Britain. The VE Day anniversary celebration yesterday was organised by the Inner London Education Authority for more than 150 youngsters from the capital's schools. Picture by Graham Turner

## £100,007 libel awards for slimming doctor

Dr Sidney Gee yesterday became the first person to receive more than £100,000 libel damages in an English court.

The Harley Street slimming expert, who was paid £75,000 last week by the BBC, celebrated his 64th birthday by accepting a further £25,007 from two doctors in final settlement of his action over an item about one of his patients in Esther Rantzen's *That's Life* programme.

The total award of £100,007 exceeded by just £7 that received by a footballer, Billy Bremner, in a libel action against the *Sunday People* in 1982.

Dr Gee said he was relieved the case was over. He would donate some of the damages to medical charities.

The trial lasted nearly seven months, and became the most expensive libel suit in English legal history, with the BBC

agreeing to pay costs estimated at £1.2 million.

Dr Gee sued over a June 1983 edition of *That's Life* in which it was alleged that his treatment of slimming patients had endangered their lives.

Yesterday saw the end of his case against Dr Clemency Mitchell, a GP, of Binfield Surgery, Binfield, near Reading, Berkshire, and a heart specialist, Dr Roger Blackwood, of King George VII Hospital, Windsor.

Mr Michael Beloff QC told the judge that the programme mounted an attack on Dr Gee's methods.

Mr Beloff told the judge, Lord Justice Croom-Johnson, that Dr Mitchell would pay Dr Gee £10,000, and Dr Blackwood would pay £15,000.

Because of the BBC's agreement over costs, the doctors' total costs should not exceed £100,000, informed sources said.

## Hattersley commits Labour to repeal ban

## Second GCHQ man given ultimatum over union

By Richard Norton-Taylor and Paul Hoggard

A second GCHQ official who rejoined his union in defiance of the Government ban has been warned by management that he will face disciplinary proceedings unless he hands in his union card.

The warning — delivered yesterday to Mr David Puddle, who works at the intelligence-gathering centre in Cheltenham — came as Mr Roy Hattersley, Labour's deputy leader, promised that a Labour government would restore the rights of GCHQ workers to join a trade union of their choice.

The issue of workers' rights at GCHQ was also taken up yesterday by the TUC general secretary, Mr Norman Willis. In a speech at the Wales TUC conference at Tenby, Dyfed, he called for massive resistance from the trade union movement if staff were dismissed.

Mr Hattersley made his pledge at the conference of the Civil Service Union in Blackpool. "In a democratic society membership of a free trade union is — or ought to be — an inalienable right. That right cannot be limited to the groups and classes which the Government decides is appropriate to enjoy such freedom," he said.

The Government's ban on unions at GCHQ called into question the strength of its commitment to the free and democratic society which people had always believed Britain to be. Management's threat to institute disciplinary proceedings against an employee who refused to give up his membership would have

seemed, 10 years ago, to have been written in Eastern Europe or Central America, he said.

The patriotism of GCHQ officials could "with profit to the whole nation, be copied by those ladies and gentlemen in the City of London who speculate against sterling, prefer to invest abroad in our competitors' economies rather than in jobs in Britain and intentionally undermine international confidence in any democratically elected government which does not endorse their political prejudices," Mr Hattersley said.

Mr Willis said at Tenby that he had a deep personal commitment to all the trade unionists at GCHQ. He saw them frequently and regarded it as an important part of his job to keep up their morale.

He warned the Welsh TUC that the prospect of dismissals came much closer this week when the GCHQ management told nine staff who had

rejoined unions to renounce their membership within five days or face disciplinary action.

"If one or more of them gets sacked for their belief in trade unionism, I expect — in fact I demand — a massive response from the trade union movement in their support for just as long as it takes to get justice," he said.

It became known yesterday that one of its most highly qualified mathematicians and linguists at GCHQ has accepted generous terms for early retirement from the management.

Mr Alexander Hamilton, aged 53, a member of the First Division Association and one of the most senior officials, refused to accept the Government's ban.

The Government's decision was described by staff as a "putting operational considerations to one side."

## Nalco's strike threat

By Patrick Wintour, Labour Staff

More than 400 staff in the National and Local Government Officers' Association

threaten to strike from next Tuesday over the sacking of a press assistant alleged to have leaked internal union documents to Mr Derek Hutton, the deputy leader of Liverpool City Council.

Local officials of the white collar section of the Transport and General Workers' Union voted yesterday to back members of the National Union of Journalists in their decision to strike next week.

An internal Nalco inquiry found on Wednesday that there was overwhelming circumstantial evidence that a press assistant Mr Jim Roberts had leaked the documents concerning possible industrial action at Nalco Liverpool branch, to Mr Hutton.

## Far left tries to forge alliance

By John Carvel, Local Government Correspondent

An attempt to form a new alliance on the far left of the Labour Party is being launched by the editorial board of *London Labour Briefing*. It aims to mount a challenge Mr Neil Kinnock's leadership "as soon as possible" and to found a new left journal to promote a series of policy initiatives.

A letter has been sent by Mr Graham Bash of the briefing board to all the main Labour left groups asking them to attend a meeting at the Greater London Council on May 18. Recipients include the Campaign group of Labour MPs, the Campaign for Labour Party Democracy, Militant, Socialist Organisation and Socialist Action.

The letter speaks of the need for the socialist left to regroup to fight the right. Mr Bash says: "It would be wrong for one group of campaigns to pretend that it alone can be the sole vehicle for such unity. We are therefore calling on all socialist groups and currents within the left wing of the party to meet to discuss how to work together over the coming period."

*London Labour Briefing* was the monthly magazine around which Mr Ken Livingstone's campaign for the GLC leadership was based in 1981, but it has since become estranged from him.

Mr Bash makes a series of proposals for discussion at the May 18 meeting. They include preparation for "a serious challenge to the party leader and/or deputy leader as soon as possible" and "joint discussions to be started on the possibility of a new paper/journal of the left."

He also proposes joint campaigning within the party, using model resolutions at regional and national conferences, around a few key policy themes, such as support for the Benn/Hefner withdrawal from NATO document, the Benn/Roberts Bill on withdrawal from Ireland, nationalisation of the banks and opposition to incomes policy.

## Fire risks at ski hotels 'endanger school parties'

By Rosemary Collins

Fire risks in the European hotels used by leading operators of school skiing holidays are unacceptably high, according to the Consumers' Association.

A detailed survey of 33 hotels carried out for *Which?* magazine in Austria, France, Italy, and Switzerland showed standards worse "by a considerable margin" than those in earlier surveys of less specialist hotels.

"It must be the result either of profound ignorance of fire hazards or a cynical disregard for the lives of hotel guests," the Consumers' Association comments.

The survey found over-long dead-end corridors leading to stairways, little or no compartmentation against the spread of smoke, and inadequate fire-fighting equipment. Twenty-two hotels had inadequate emergency lighting and signs, and 24 had no fire alarm.

that we should have found such low standards in hotels used largely, though not exclusively, by school parties," Which? says.

"School parties present special risks because it is common to find four to six children sleeping in one room, and also the uninhibited behaviour of children on group trips can be expected to lead to accidents. Children cannot be expected to display the initiative and self-discipline you might expect of an adult when fire occurs."

Only three of the 33 hotels examined were rated good. The others ranged from fair to very poor.

The Consumers' Association is sending a full technical dossier on its findings to the national tourist offices of the countries covered by the survey, to the Government, and to the European Commission. The EEC Council of Ministers has before it a proposed new code of minimum fire safety standards for hotels, which has to be adopted.

# LEICESTERCARD INVESTMENT BOND.

# 10.75% NET

WHEN INTEREST IS TAKEN MONTHLY OR HALF YEARLY.

# 11.04% C.A.R.

WHEN INTEREST IS LEFT TO COMPOUND.

# If you want the best offer, move to Leicester.

If you're looking for a secure investment with the highest possible return, your best move is to the Leicester Building Society.

For a minimum investment of £10,000, our new Leicestercard Investment Bond guarantees you 2.5% above the basic share rate.

Currently giving you 10.75% net, with a compounded annual rate of 11.04%, which no other top ten building society can match.

And for those with smaller sums to invest, Leicester's existing Leicestercard Bond still offers top returns, but now with a guaranteed 2% above the share account rate, for a minimum investment of £2,000.

Giving you 10.25% net, 10.51% compounded annual rate.

In all other aspects the Leicestercard Investment

Bond and the Leicestercard Bond are identical.

Both guarantee the extra interest for at least 3 years.

Both allow you to withdraw your money without penalty with just 28 days' notice after one year.

Both give you the Leicestercard: a unique way to

save money at over 11,000 shops and restaurants throughout Britain.

And both are going to be very popular. So if you want to beat the rush to Leicester, send off the coupon today.



SURNAME(S) (MR/MRS/MS)	
CHRISTIAN NAME(S)	
ADDRESS	
I/we enclose £..... to be invested in the Leicestercard Investment Bond/Leicestercard Bond.	
<input type="checkbox"/>	I/we require the interest to be paid or credited half yearly, or
<input type="checkbox"/>	I/we would like the interest to be paid monthly.
<input type="checkbox"/>	I/we wish to apply for a Leicestercard. <input type="checkbox"/> Please send me more details.
SIGNED	DATE
To Investment Dept., Leicester Building Society, FREEPOST, Cadby, Leicester LE2 4ZP.	
<b>Leicester Building Society</b>	
It all adds up to more from the Leicester.	



## 'Routine' use of police cells to hold remand prisoners

# MPs tell Brittan to keep police custody pledge

By Aileen Ballanyne

The parliamentary all-party affairs group yesterday called on the Home Secretary to fulfil a promise he made nearly two years ago to end the routine use of police cells for prisoners awaiting trial.

A recent Home Office parliamentary answer revealed that remand prisoners were held in police custody every night from January 15 to April 15 this year and that on six nights their number was more than 100. On February 19, it reached 260.

Mr Leon Brittan, pledged in July 1983 to empty police cells of remand prisoners by the end of that year. This followed complaints that remand prisoners in police custody had too little room to exercise, had difficulty gaining access to their solicitors, and were often locked up in their cells for 23 hours a day.

Although Mr Brittan ended the use of police cells for remand prisoners by the end of 1983, his success lasted only two days into 1984. The numbers then rose again.

Since then, the all-party group point out, the use of police cells has fluctuated considerably. Last year, one prisoner remained in police custody for 36 nights, and several others have had to be held in police cells for two weeks or more.

A spokesman for the group said yesterday that prisoners awaiting trial were still being locked up for 23 hours a day, and in some cases had to prepare their defence with a solicitor through a "small square" in a police cell door.

The use of police cells is concentrated largely in the Metropolitan area and coincides with a record prison population of over 46,000 in England and Wales.

The prison population usually goes up in the first three months of the year — but this year the rise was 11 per cent, compared to an 8 per cent rise in the first three months of 1984, and only 5 per cent in the same period in 1983.

In order to fulfil his promise at the end of 1983 the

Home Secretary set up a police cells team to restructure the London prison system, making Wormwood Scrubs the main remand prison and transferring some London prisoners awaiting trial to gaols in the north of England.

Like the use of police cells, this policy led to complaints from solicitors over the lack of access to clients. In the case of Wormwood Scrubs, solicitors found that they had to wait much longer to see clients than they had at Brixton gaol.

In a letter to the Home Secretary yesterday, Mr Robert Kilroy-Glik, the Labour MP who chairs the all-party group, wrote: "We consider that the continued use of police custody for remand prisoners is intolerable and has no place in a civilised criminal justice system."

He appealed to Mr Brittan to take all necessary steps to end the practice.

A Home Office spokesman said yesterday that it had unfortunately been necessary to hold some prisoners from London and the South-east in police cells this year.

This spring has seen the prison population rise to an all-time record. This has caused enormous strain and logistic difficulties in the London prison system, with the result that it has not always been possible to match prisoners with places or to get a prisoner into prison in the evening," the spokesman said.

Robert Kilroy-Glik: Intolerable conditions

## Murder charge soldier 'signed out machine gun'

A soldier facing a triple murder charge signed out a submachine gun from his army camp on the morning the three shooting victims died in a £10,000 payroll robbery, a court heard yesterday.

Early on January 17, Corporal Andrew Walker, aged 30, went to the stores at Ritchie camp, Kirknewton, Midlothian, where he was issued with a submachine gun, armoured private Kenneth Pirie told Edinburgh High Court.

Walker said he was in a hurry to get on with training and gave an assurance to return the weapon — identified in court — later in the day.

The trial continues today.

## School's land deal solution to avoid closure

By Andrew Moncur

A COVENTRY comprehensive school threatened with closure has come up with a scheme to raise at least £2.1 million from private enterprise by selling surplus land.

At Binley Park School, which has been used to catch the rain in the examinations hall and the window frames have not seen a lick of paint for around 10 years. It was once officially described as the "most grossly undermaintained" education site in the city.

The school has drafted its own capital plan setting out to provide a guarantee of the future for the 1,225 pupils. Considerable local support is on hand but Binley Park also has a more reliable asset in that it has more land than it can cope with.

Staff reckon that portions of the 44 acre plot could be sold to developers to finance the school's continued existence in an improved form.

The scheme, believed to be the first of its kind, would also act as a safeguard for the neighbouring Binley primary school, similarly threatened under Coventry's proposals for education closures. The city faces the national problem of falling school rolls.

The 1,700-strong Coventry Association of the National Union of Teachers yesterday released its detailed response to the city's consultative documents. It opposes, in virtually every respect, the suggested closure of three comprehensive, three primary and four special schools.

The NUT argues that at the secondary schools, the decline in child population offers more of an opportunity than a problem. Its case would provide an answer to one of the most frequently quoted arguments put forward by opponents of comprehensive schools: the issue of size.

The choice that faces Coventry is to decide whether to close schools in order to maintain an above average number of large schools or whether this should be used as an opportunity to reduce school size in order to foster and encourage a greater sense of personal identity," the NUT response says.

In its own plan, Binley Park is committed entirely to construction. It proposes that an alternative involving the sale of just over 11 acres for private development of 100 to 200 homes to bring in about £1.1 million.

Another slice of just under seven acres could be worth £1 million to commercial developers, possibly using it for retail warehousing. A shopping centre, doctor's surgery and other amenities could also be fitted in.

The school would provide more than enough to refurbish and rebuild the two schools. It would also generate up to 200 permanent jobs and continuing income for the city, say staff.

## TGWU investigator has more cards up his sleeve

Man who criticised union ballot is used to getting flak from all sides reports Keith Harper

THE question of ballot irregularities in the Transport and General Workers' Union will cause problems for Mr John Garnett of the Industrial Society for some time.

Mr Garnett was visiting companies in Aberdeen yesterday, but his London office confirmed that he had written to Mr Moss Evans, the TGWU's general secretary, asking if he would like to publish all the branch returns in the election which is being re-run. "He has also said that he may want to go back to look at more ballot papers in the London region," said the society.

At Wednesday's press conference, Mr Garnett agreed that he might have to continue his inquiries following the revelation that more than 500 of the TGWU's London and South-east branches had not returned their ballot forms.

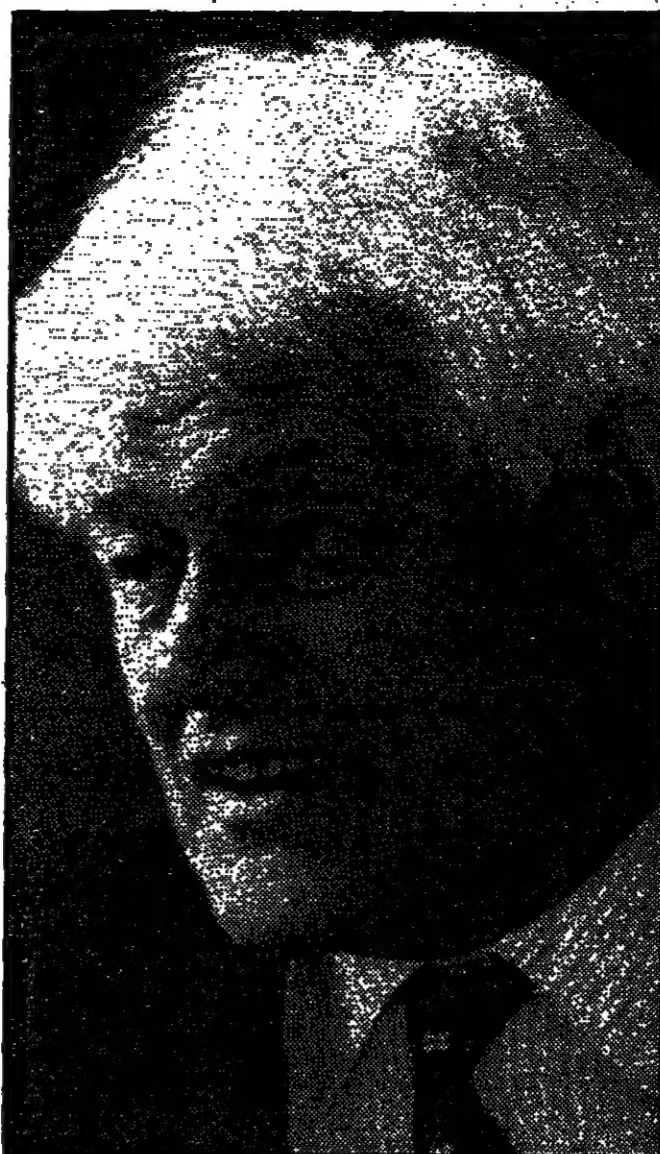
The society said yesterday: "Mr Garnett accepted that there was criticism of his findings. But he cannot be rushed into a decision. He will decide whether to go back and look at more returns after the weekend."

Mr Garnett's report is generally considered to leave a number of questions in the air. While it was not his brief to examine anything but the particular complaints raised by Mr Bert Andriessen, one of the TGWU's secretaries, Mr Garnett also investigated a sample of branch returns.

He found eight out of 12 unsatisfactory, and has now become embroiled in further inquiries, which may show how easy it is to manipulate voting returns at branch level.

Mr Garnett has a long and distinguished service of helping out in difficult situations. He was one of the three members of the Wilberforce Inquiry into the miners' strike of 1972, and was called by the TGWU six years ago to arbitrate in the long-running lorry drivers' strike. An award he won for drivers in the South-west was picked up nationally by the road hauliers when the TGWU was looking hard for a settlement.

With a mop of white hair, and a fresh-faced appearance, Mr Garnett has an evangelist's zeal. His favourite occupation is what he calls



John Garnett — used to resolving differences but latest task has ruffled feathers

He came to the society in 1961 as only its third director in 50 years, after a grounding at ICI. He joined in 14 years worked his way up through the commercial and personal sides, to become head of the company's first communication section.

Some within the society wish that Mr Garnett had not accepted Mr Evans' commission. But the TGWU is a prominent member of the society.

With a mop of white hair, and a fresh-faced appearance, Mr Garnett has an evangelist's zeal. His favourite occupation is what he calls

## Silkin renews Tribune fight by telling staff to prove they paid for shares

By David Rose

The long-running legal battle between Mr John Silkin and the Labour Party newspaper, Tribune, has flared up again, apparently nullifying a tentative agreement between the two sides reached earlier in the year.

The former cabinet minister is acting as proxy for the Tribune shares held by Lord Lee, and as solicitor for another shareholder, Lord Bruce of Donnington, the Labour spokesman on trade and industry in the Lords.

He has enforced a court order making Tribune staff who bought shares issued to prevent him from controlling the paper, prove that they paid for them.

The share issue, in December 1982, is still the subject of legal action by Mr Silkin, which seeks to challenge their validity. It is understood that this action had "gone to sleep" for a long period, but that in recent weeks it has revived, with Mr Silkin taking steps to set it down for trial.

The editor of Tribune, Mr Nigel Williamson, reacted with bafflement at Mr Silkin's latest moves. He said that he had come to an agreement with Mr Silkin in January over the shares after negotiations witnessed by Mr Ian Mikardo, the MP for Bow and Poplar.

Three Tribune staff, including Mr Williamson, have found it impossible to prove they paid for their shares because their banks cannot trace their cheque stubs, raising the possibility that Mr Silkin could go back to court and make an application to have them found in contempt.



Nigel Williamson: baffled by move

Under the agreement, the disputed shares would be placed in a trust administered by leading members of the party.

Mr Williamson said: "We really don't want these shares. I just want to get shot of them. I cannot understand what's going on. I thought we had reached agreement."

It is thought that Mr Silkin would encounter strong opposition from the party leadership if he went as far as taking his action to court.

Since Mr Williamson replaced Mr Chris Mullin, as editor of Tribune, he has become much less critical of the leadership and is no longer closely identified with Mr Tony Benn.

A possible crucial factor in the balance might be the intervention of the former Labour leader, Mr Michael Foot, who owns 60 shares.

Mr Foot played no part in earlier stages of the row, which was often the subject of attack in Tribune, but he is thought likely to take a different line in view of the altered circumstances of the paper and the apparent failure to agree.

## New limits BR turns to old rivals on waste

By Geoff Andrews

British Rail plans a series of deals with private shipping and airline companies which will take business off the Sealink ferry subsidiary it sold last year.

With Sealink, now owned by Sea Containers Limited, BR is exploiting its position as a feeder to independent airlines and shipping companies that previously were its competitors. A helicopter link from Holyhead to Dublin, which is tied with London train services, is doing good business.

Soon a service to the Isle of Man will be launched to connect with trains from London to Buncrana. With a free bus service from the station to

## Kirk tells ministers to fight devils with prayer

By Martyn Halsall

Churches Correspondent

DEVILS and demons are best defeated without the use of exorcism, a church of Scotland working party has advised ministers.

Clergy should avoid "any kind of exorcism" except for emergency cases after taking medical advice and consulting other ministers, said a report to be discussed later this month by the General Assembly in Edinburgh.

## Aids deaths rise to 75

By Andrew Veitch

Medical Correspondent

Fourteen people died of Aids last month, bringing the total of deaths to 75, the Department of Health reported yesterday. The number of Aids patients rose by 19 to 169.

The case of a Surrey woman who died of Aids (acquired immune deficiency syndrome) is reported in the British Medical Journal today.

AGED 49, she had been married for 15 years to a businessman who was born in Ghana and lived in Zambia. Of the six British women who have developed Aids, only one other was born here and she is reported to have had many sexual partners.

## Jasmine assaults 'started after fostering'

By Sarah Bosley

Jasmine Beckford, the four-year-old who was killed by her stepfather, was physically abused by him from the time she was returned to her parents from fostering by the social services, her mother has since told a child abuse expert, an inquiry was told yesterday.

Jasmine and her younger sister, Louise, were put in the care of Brent Council in August 1981 after their stepfather, Maurice Beckford, was convicted of assaulting Louise. They were fostered for eight months before the social services returned them to their parents, initially on a trial basis.

Miss Alice Causby, the child abuse investigating officer for Westminster social services department, told an inquiry at Brent Town Hall yesterday that she had interviewed Maurice Beckford, Louise's mother, four times after the child's death.

She said: "My understanding from what she told me was that from the time Louise and Jasmine returned home on trial in April 1983 they were physically abused by their father. He frequently hit them mainly as punishment for various things. Either one or the other of the children had bruises on them almost weekly."

Miss Causby had prepared a report as Louise and her sister returned to their mother for adoption — their legal representative in care proceedings which followed Jasmine's death and the gaoling of Maurice Beckford for 10 years for manslaughter, told her mother for 18 months for wilful neglect.

Miss Causby said: "Most of the bruising was in places that would not normally be seen by someone looking casually at the children." She added: "The reason she had removed Jasmine from Scotland was because Miss Causby was worried that the school would see the bruising."

That was September 1983, nine months before she died.

Miss Causby said she was concerned that after the children went home on trial she could find no record of arrangements for them to see either a GP or a paediatric doctor and be examined and seen addressed.

Looking at the case in retrospect she said she felt that the non-accidental injuries register too soon.

She was also concerned about the timing of the application to revoke the care order. Miss Causby said that the family was under stress.

Mr Richard Bond, counsel for Miss Wahlstrom, suggested in cross-examination that Miss Lorrington might not have been completely honest with her because she wanted her remaining children back. Miss Causby said: "My opinion was that if anything, she underplayed what had been happening to those children."

Mr John Trotter, counsel for the British Association of Social Workers, pointed out that there was no other evidence to support the mother's assertion that the children had been beaten since their return home.

In questioning by Miss Presley Baxendale, the panel's counsel, Miss Causby said that a medical report of Louise Beckford's violent behaviour towards her younger sister Chantal in their present foster home was further evidence that the children had been exposed to long-term abuse.

The hearing was adjourned until Wednesday.

## Shipyard workers vote for sackings strike

By Jean Stead

Scott — Lithgow workers walked out yesterday in protest at demands by the yard's owners, Trafalgar House, for 558 redundancies by next week.

At a meeting at Greenock town hall yesterday morning, the men voted by secret ballot for strike action or occupation of the yard if the redundancies are enforced next week. Trafalgar House has threatened to make them compulsory if there are no voluntary offers by then.

The workforce of over 2,500 will be at work today but are refusing to work overtime or during the May Day holiday on Monday.

Mr Duncan McNeill, convenor of the shop stewards, said the unions regarded the redundancies as only the start of an operation by Trafalgar House to reduce the workforce to a core of only 800 men.

"Since Trafalgar House took over the yard a year ago, we have delivered all the agreements we have been asked for. We have been committed to the success of the yard, but apparently this commitment was one-sided," he said.

He alleged that a deep-sea oil rig for Britoil was now going to be one year late for delivery, incurring heavy penalty payments, and that the contract was having to be renegotiated between Britoil and Trafalgar House. "We are having to carry the can for management's incompetence," he said.

A Britoil spokesman in Glasgow dismissed talk of renegotiation as rubbish.

Trafalgar House spokesman admitted that there had been a number of problems with the design of the rig but insisted that there had been no discussions on renegotiation.

## Ethnic monitor for BBC employees

By Stephen Cook

The BBC has introduced a system for monitoring the ethnic background of its 58,000 workers, and is committed to starting race awareness training for its management and editorial staff.

Although the official position is that race awareness training is under consideration, it will be introduced as soon as a course suitable for the corporation's needs has been worked out.

The Commission for Racial Equality is anxious to see large public bodies like the BBC conduct a complete picture of how minorities are faring and what needs doing to put things right. The CRE prefers an ethnic census of existing staff.

An experimental two-day race awareness session was held recently, but it was felt it needed to be more specially geared to broadcasting.

The BBC is looking for a course which concentrates on showing how management structures, habits and assumptions can lead to unintentional discrimination against minorities, and on encouraging people to examine if they are really as free of prejudice as they think.

The possible pitfall is that people who are liberal in outlook might feel that having the courses implies that they are prejudiced. This accounts for the caution of senior staff.

One recent seminar for BBC managers, however, was dominated by the issue of race and ended with a consensus that the BBC was, in spite of good intentions, dominated by the white middle-class male, and that this should change.

Ten years ago the BBC establishment denied any problem of discrimination and pointed to the relatively large number of black people it employed as these turned out mostly to be cleaning and canteen staff, and pressure grew for change.

In 1981 Miss Jocelyn Barrow became the BBC's first black governor.

## Aids deaths rise to 75

By Andrew Veitch

Medical Correspondent

Fourteen people died of Aids last month, bringing the total of deaths to 75, the Department of Health reported yesterday. The number of Aids patients rose by 19 to 169.

The case of a Surrey woman who died of Aids (acquired immune deficiency syndrome) is reported in the British Medical Journal today.

AGED 49, she had been married for 15 years to a businessman who was born in Ghana and lived in Zambia. Of the six British women who have developed Aids, only one other was born here and she is reported to have had many sexual partners.

Of the six British women who have developed Aids, only one other was born here and she is reported to have had many sexual partners.

**WINNER! 20 OSCARS**

DAVID LEAN, the director of "DOCTOR ZHIVAGO", "LAWRENCE OF ARABIA" and "THE BRIDGE ON THE RIVER KWAI" invites you on...

**A PASSAGE TO INDIA**

Now Showing

ABC SHAFTESBURY AVE. 01-836 4169  
ABC BAYSWATER 01-228 4169  
ABC EDGWARE ROAD 01-725 2301

ALSO NOW AT: BRIGHTON ABC, BRISTOL ABC, CAMBRIDGE ABC, CARDIFF ABC, CHESTER ABC, COVENTRY ABC, DUNDEE ABC, EDINBURGH ABC, GLASGOW ABC, HULL ABC, LEEDS ABC, LONDON ABC, MANCHESTER ABC, NEWCASTLE ABC, NOTTINGHAM ABC, OXFORD ABC, PLYMOUTH ABC, PORTSMOUTH ABC, READING ABC, SHEFFIELD ABC, SOUTHAMPTON ABC, STAMFORD ABC, SWANSEA ABC, TOTTENHAM ABC, WARRINGTON ABC, WOLVERHAMPTON ABC, WYTHAM ABC, YORK ABC.



## Biffen to drop plans to curb watchdog MPs

By our Political Staff  
THE Leader of the House, Mr John Biffen, will bow to opposition from the chairman of the Commons select committees to his proposals that they should restrict their demands to see documents from the nationalised industries.

Mr Biffen has met with a united opposition to a letter which he sent out to Mr Terence Higgins, the Tory MP for Worthing, and chairman of the Commons Liaison Committee, suggesting that select committees should not use their powers to demand sensitive documents from the public corporations.

This followed a parliamentary row over the refusal of the Trade and Industry Secretary, Mr Norman Tebbit, to allow British Shipbuilders to submit confidential documents on their operations to a select committee. He did not succeed, but Mr Biffen felt he had raised an important constitutional point.

Mr Biffen insists he was merely sending out feelers and was not looking for a confrontation with the select committees over their wide-ranging powers to summon for people and papers to be produced before them.

But Mr Biffen's letter was seen by the chairman as a government attempt to limit their constitutional power. However, it is now understood that Mr Biffen will not be pressing the matter.

Former Leader of the House Mr Norman St John-Stevas, who established the present select committees system, said yesterday that it would radically change the relationship between the select committees and the nationalised industries if MPs were denied the right of access to their papers.

He said in an interview on the BBC radio Today programme: "The present position is that the members of



Mr St John-Stevas: 'Radical change'

the nationalised industries are not servants of the Crown. They cannot shelter behind the minister and they are subject to the full power and full rigour of the committee and this will be changed."

This would make the work of the Energy, Transport, and Trade and Industry Committees and the Transport Committee very difficult indeed, he added.

It is also understood that Mr Biffen and the committee chairman agree on the need to stop any question of the committees accepting private money for their inquiries.

This follows the letter to Sir Hugh Boscawen, the Tory chairman of the Environment Committee, from a private lobby company, Political Research and Communication International Limited, offering £5,500 towards the committee's travel expenses to Sweden to see systems involving large quantities of lead in the dumping and storage of high level radioactive waste. The company was acting on behalf of the Lead Development Association and the letter was strongly criticised.

## Militant Tendency African link blamed

MILITANT Tendency supporters were blamed yesterday by the Labour Party's general secretary, Mr Jim Mortimer, for involvement in southern Africa following complaints by the Prime Minister of Zimbabwe, Mr Robert Mugabe.

Replying to Mr Mugabe's expression of concern about infiltration by Labour Party members into Zimbabwe, Mr Mortimer said in a statement that the Prime Minister was "under a misapprehension". The two individuals named by Mr Mugabe were supporters of militant tendency in Britain — "a grouping which receives no backing or support from the national executive of the Labour Party," he said.

The NEC, added Mr Mortimer, had received a report on a militant-linked organisation working in southern Africa which concluded that any backing for it by the Labour Party would be detrimental to British relations in southern Africa. The NEC was advising its affiliated organisations to have no contact with the group.

## Powell set for big fight

By Colin Brown  
Mr Kenneth Powell, the Ulster Unionist MP for South Down, will live to fight again even if his private member's bill to ban research on embryos is blocked today by its opponents in the Commons.

Mr Powell is preparing to recruit as many supporters as possible to move the bill through today. This will require at least 100 MPs voting in favour of the ending of debate on the measure.

This procedure has its pitfalls and if he fails to force the bill through in time, he can still elect to put the bill before the Commons for its

report stage on May 10, 17 and July 5.

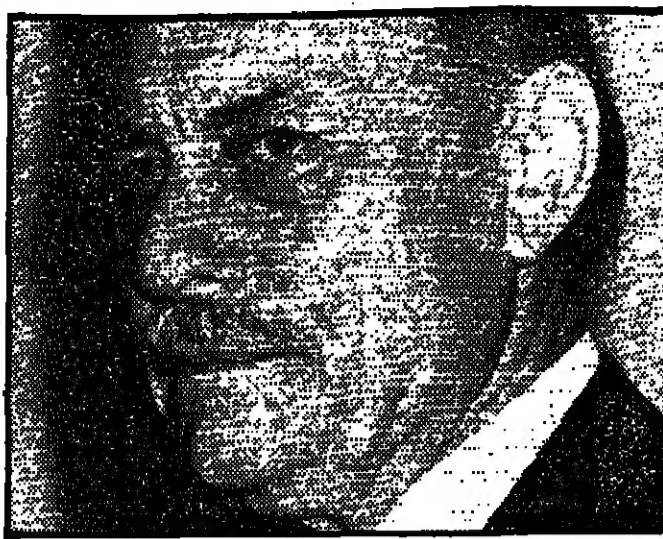
Mr Powell's problem today will be that the Tory sponsor of the bill to be heard first — the Road Traffic Production of Documents Bill — has refused to give way, thus allowing opponents to filibuster and delay the scrutiny of Mr Powell's bill.

On May 10, Miss Janet Fookes (C. Plymouth Drake), is seeking Commons approval for the report stage of her bill to outlaw herb crawling. Although she is a strong supporter of Mr Powell's bill, opponents could again filibuster.

The same could apply on May 17, when the Local Government Access to Informa-

tion Bill has precedence over Mr Powell. Again, the opponents have tabled a blocking motion against Mr Powell's bill. But Friday, July 5 is free.

However, it will soon be full up with Lords' amendments to private bills and if Mr Powell's bill does not get through today, it is unlikely to reach the Statute Book. Even so, Mr Powell and his supporters are insisting that they will bring forward their proposals again when the Government produces its full-scale legislation, probably in the next session on the Warnock Committee recommendations. Then, given more time, they could well succeed.



Mr Powell — hopes to force bill through today

## Queues used to block immigration, claims Labour

### IMMIGRATION

First-time applicants who emigrate from the Indian subcontinent to the United Kingdom are to be given priority over those who have been turned down before, the Home Office has announced.

Mr David Waddington, the Home Office Minister, claimed in the Commons that the reason for the 22-month waiting list for a first interview with an entry clearance officer

in Dhaka because far too many people were applying to emigrate whose applications had been previously refused and their appeals turned down.

He was replying to criticism from Labour MPs who had claimed that the Home Office was using the lengthening queues in the Indian subcontinent to stop people claiming their legal right to settle in Britain.

The rate at which the Home Office processes applications for entry from immigrants from the Indian subcontinent

have dropped considerably, Mr Tom Tawney (Lab. Bradford S.) told the Commons.

He claimed that the productivity rate of entry clearance officers had fallen by 36 per cent.

"What is the minister going to do about it? Is it due to the complexity of rules laid down by this Government?" he asked. Other Labour members claimed that there was now a 22-month waiting list for a first interview at Dhaka for wives and children who wanted to apply to join husbands already settled in the United Kingdom.

Mr Max Madden (Lab. Bradford W.) said that confidential papers leaked to the Guardian had shown that the Home Office was using lengthening waiting times to stop people entering the country who clearly had the right to do so.

Mr Waddington, however, denied that the briefing paper leaked to the Guardian had suggested such a conclusion and flatly denied that queues were used to limit immigration. He said that extra clearance

### BLASPHEMY

## 'Fifth Gospel' under fire

THE Attorney-General, Sir Michael Havers, said yesterday that he would consider prosecuting for blasphemy a book describing sexual encounters between Jesus Christ and Mary Magdalene.

He was responding to a call for prosecution for blasphemy by the Tory MP, Sir Peter Mills, chairman of the Westminster Christian Fellowship, who is campaigning to stop next week's paperback publication of *The Wild Girl*.

The book, by Michele Roberts, is written as a Fifth Gospel from Mary Magdalene's viewpoint.

Sir Peter (Torridge and West Devon) said: "It is a disgraceful book. It vilifies the Christian religion by describing sexual encounters between Our Lord Jesus Christ and Mary Magdalene. I believe it is blasphemous. We are really scraping the barrel when we have this sort of thing. I think it was time it was stopped."

Sir Peter, who said he had only read reviews of the book and not the book itself, added: "As chairman of the Christian Fellowship I shall be pursuing this matter with my colleagues across the parties here."

A spokesman for the book's publisher's Methuen, said: "We don't believe the book is blasphemous. We shall carry on with publication unless Sir Michael comes back to us."

In a Commons written answer to Sir Peter, Sir Michael said the MP's call for Methuen to be prosecuted for blasphemy for *The Wild Girl* was "the first occasion on which the publication has been drawn to my attention. I will consider the matter and write to you."

The Fair Vote Campaign, which is leading demands for PR in UK elections, has secured the support of former Tory Minister Christopher Chataway, Labour MP Mr Austin Mitchell, Tory MP Mr Richard Ryder, and SDP supporter Anne Sofer, for the amendment to the bill tabled by an all-party group of peers.

### ANIMAL RIGHTS

## Whitehall 'Arrogant'

A LEADING animal rights campaigner has accused the Home Office of "high-handed arrogance" and a "closed mind behind closed doors" attitude in its dealings with the animal welfare lobby.

The criticism follows a letter from the Home Office to Mobilisation for Laboratory Animals — an alliance of four of the country's largest anti-vivisection societies — stating that, due to a lack of "staff resources," it is unable to reply to their correspondence on proposed legislation on live animal research.

Mr John Robins, organising secretary of the Scottish Anti-Vivisection Society and a member of the mobilisation group, said it was "intolerable" that a major government department was prepared to "blatantly ignore" submissions on such a sensitive issue from an organisation representing a substantial body of public opinion.

"By producing new legislative proposals and refusing to discuss them, the Home Office has adopted the closed doors policy of the researchers they seek to protect," said Mr Robins.

### SOUTH AFRICA

## Tutu accused

The black Anglican Bishop of Johannesburg, Bishop Tutu, was yesterday blamed for the violence against black people in his country by the Tory backbench MP, Mr Nicholas Winterton.

Mr Winterton, the MP for Macclesfield, attacked Bishop Tutu at the meeting of the Welsh, Irish, Scots, English Group at the Institute of Directors, in London, for refusing to speak out against the use of violence as a means of achieving social and political reform.

The Bishop had "blatantly supported those who turn such violence against both authorities and civilians alike," said Mr Winterton.

He added: "It was absolute hypocrisy that such a man of violence should be awarded the Nobel Peace Prize. For the sight on our television screens and pictures in the press of burned, mutilated corpses of innocent black people, women and children included, we have Bishop Tutu to thank."

Within the black population within South Africa, said Mr Winterton, was "a tiny minority of extremists — individuals who want no reform but only revolution."

### GLC BILL

## PR bid for ILEA poll

AN all-party group will be behind an attempt in the Lords next week to ensure that the Inner London Education Authority is elected by a proportion



Mr Christopher Chataway

tional representation under the provisions of the Local Government Bill abolishing the Greater London Council and the metropolitan county councils.

## We used to say the sky's the limit.

It was announced last week that Britain's first astronaut will be Squadron Leader Nigel Wood, aged 35, a test pilot in the Royal Air Force.

Squadron Leader Wood has been working with the US Air Force in California for the past three years and has observed six Shuttle landings. He will spend a week aboard the Shuttle in June 1986, with special responsibility for the launch of the £10 million British Skynet-4 military communications satellite, which is designed to provide more advanced communications between Britain's armed forces.

Announcing the choice, the Ministry of Defence said: "It was a difficult decision to make for all were quite outstanding candidates." Squadron Leader Wood said: "I'm just a normal chap who is very, very lucky to be getting the first ride. The British Skynet-4 satellite is at the very front of space technology."

RAF Engineer Officers, both men and women, will control from the ground Skynet-4 and its successors. And, in future years, more RAF Officers are expected to follow Squadron Leader Wood into space.

But the role of all the RAF's Officers in space, in the air and on the ground will remain the same: to work in conjunction with NATO forces for the defence of war.

The careers which are available in the RAF, even for those Officers who do not go into space, are some of the most exciting and challenging careers available anywhere on earth.

### What now?

There are opportunities in many branches of the RAF, including Pilots, Navigators and Engineers.

The qualifications needed vary and range from a minimum of 5 'O' Levels up to a university degree. (University Sponsorships worth £16,220\* are also available.)

For more information, call in at any RAF Careers Information Office or write to Group Captain Paul Terrett, OBE, (OT) Officer Careers (07/03/05), London Road, Stanmore, Middlesex HA7 4PZ, giving your date of birth and qualifications. (Formal application must be made in the UK.)



RAF Officer



Institute makes gloomy forecast for arms talks

# Survey condemns Star Wars as a 'dangerous risk'

By Hella Pick

The US Strategic Defence Initiative, the so-called Star Wars programme, is a dangerous risk to international stability, according to the International Institute of Strategic Studies.

The institute, in its annual survey, published yesterday, has thrown its weight behind the critics of SDI. It explains why the US attempt to put greater reliance on defensive weapons carries the risk of dangerously upsetting the precarious strategic balance between the superpowers, and may disrupt NATO's defence posture after a year in which Washington and Moscow must share the blame for failing to reduce international tensions, or to achieve progress in arms control negotiations.

The survey describes Star Wars as "the security policy centrepiece of the second Reagan Administration", and concludes that this search for defensive space-based weapons promises to be the most controversial issue of the coming year and for a long time afterwards.

While research is not far enough advanced to form any conclusions about the technological potential, the survey argues that "even if strategic defences were to prove feasible, they could damage stability rather than strengthen it".

One of the survey's few arguments in support of the programme is that it has opened an exhaustive re-examination of the assumptions behind existing strategic policies.

The director of the Institute, Mr Robert O'Neill, and his staff of experts, have excellent contacts in the Communist world and in the West. Their survey is scathing of the superpowers' performance and Mr O'Neill offers his own gloomy assessment that "there is little sign of progress either in the Geneva arms talks, or in the overall superpower relationship".

This, the survey says, is all the more disappointing since

East-West relations and arms negotiations were "hibernating" in 1984. The question last year was whether "either side would use the year fruitfully to prepare a fresh approach to resolving the issues between them." Unfortunately, the changes in the early part of 1985 do not raise hopes for a positive answer.

The Administration is criticised for failing to demonstrate that "the previously intractable issues of East-West relations might be approached more successfully in the years ahead."

Soviet foreign and defence policy is described as indecipherable and the Institute is doubtful whether any real changes can be expected, even from Mr Gorbachev, as long as Mr Andrei Gromyko remains as the Soviet Foreign Minister.

The survey is even more pessimistic about the prospects for arms control agreements than about the overall international climate, saying that "deep and persistent divisions on the role of arms control" persist in the second Reagan Administration.

Even without this factor, however, the problems facing the negotiations in Geneva are almost intractable. The survey says that none of the divisive issues at the Geneva negotiations on intermediate and strategic nuclear weapons in 1983 has been resolved in the interim. "The two sides now just as much (and probably more) than they did when the negotiations were adjourned in 1983."

THE Soviet news agency, Tass, said yesterday that President Reagan's chief arms adviser, Mr Paul Nitze, had "grossly distorted" Moscow's position at the Geneva arms talks. Mr Nitze told the National Press Club in Washington on Wednesday that Moscow had offered few specifics and was blocking progress at the talks.

Mr George Foulkes, the opposition spokesman on Latin America, said last night that he was seeking a meeting with the Prime Minister about reported government backing for British arms sales to Chile.

Referring to disclosures in yesterday's Guardian and in the New Statesman about a Centaur helicopter army vehicle being shipped to Santiago for tests by the Chilean security forces, he said: "The choice for Britain is now between humanitarianism and arms sales."

"It seems likely that the Government has chosen the latter. It would be tragic if this were the case. I am, therefore, asking the Prime Minister to receive a delegation of human rights activists to make representations on this issue."

Mr Foulkes had earlier led a delegation to the Foreign Office to protest about torture and killings in Chile.

Documents leaked to the New Statesman indicate that Whitehall granted an export licence for the Centaur to be shipped from the factory in Angles to Santiago for the tests. The Foreign Office is inviting tenders for a £6 million contract for 300 tracked reconnaissance vehicles.

Senior Whitehall sources said last night that would be wrong to assume that export licences would be automatically issued if Chile proposed to place the full order in Britain. The vehicle shipped by Land to Chile had been licensed in January 1984, but political developments since then had greatly altered the

At the Geneva talks this year, there is the additional complication of space weapons. The survey refutes US arguments that agreements could be negotiated in Geneva by stages, with reductions in nuclear arsenals, even if no agreement can be reached on space weapons.

"The three sets of talks are interlocked, not only because of Soviet insistence, but also through the interrelationship of the three categories of weapons: each superpower's force structure."

The Institute has no way of assessing which of the superpowers is leading the space research, but since the Russians barely admit their interest in the development of new defence technology, it concludes that the Soviet Union "is undoubtedly guilty of hypocrisy."

The US cannot reasonably be expected to make unilateral concessions, and agree to the Soviet Union's demand for a halt to President Reagan's Star Wars. The Institute is concerned not only with the mainstream of East-West relations, but also with the Third World conflicts, and the relationship between the Soviet Union and its Warsaw Pact allies.

One of the few encouraging conclusions of the survey is from the situation in the Third World, where the superpowers have found ways of avoiding direct confrontation in the world's crisis spots.

As for the Warsaw Pact countries, even though the treaty has just been renewed for 30 years, the Institute believes that the Soviet Union is finding it much harder to maintain the cohesion of the bloc.

"Eastern Europe is a declining asset" to the Kremlin, and no longer offers "the Soviet Union a firm foundation for extending its political and economic hegemony westwards."

Strategic Survey 1984-85 Price £7.00 Published by IIS, 23 Tavistock Street London WC2E 7NQ.

THE TOWN of Mostoles, on the outskirts of Madrid, yesterday signed a peace treaty with France after unarmoured hostilities lasting 177 years.

Mr Batolome Gonzalez, the Socialist mayor of Mostoles, a dormitory suburb of Madrid with a population of 150,000 inhabitants, said that "henceforth there will be peace and friendship between the people of Mostoles and France."

When hostilities broke out in 1508, Mostoles was a small rural village hardly touched by the occupation of Spain by Napoleonic troops.

On May 2 that year, the people of the capital rebelled against the occupying French forces and the bloody battles which ensued and the massacre of hundreds of Madrilenos by the French were immortalised in the painting of Francisco Goya.

The peace celebrations yesterday, which were attended by the French ambassador to Spain and the present mayor, took place in Mostoles town hall. They began with a mass in Spanish and French for the dead in the War of Independence of 1808, an offering of flowers to "the thousands of Spaniards who gave their lives for the freedom of France in the last world war."

A recent Spanish poll indicated that 53 per cent of Spaniards feel France is the principal enemy of Spain, followed by Morocco, England, and the United States. The Soviet Union was seen as the country's principal enemy by 5.8 per cent of the sample of 2,000 people questioned.

Royals win big welcome

MILFETTA, Italy: The Prince and Princess of Wales drew by far the most enthusiastic welcome of their 17-day Italian tour yesterday when they visited a school for the deaf in this small town in the heel of Italy.

Several thousand people lined the streets and crowded balconies, cheering and waving British and Italian flags. — Reuters.



Mrs Thatcher gets a welcome from Chancellor Helmut Kohl and an honour guard as she arrives in Bonn for the economic summit

## New row as Bitburg ghosts refuse to lie down

From Anna Tomforde in Bonn

PRESIDENT Reagan told West German leaders yesterday he had never wavered about his decision to go ahead with his visit to the German war cemetery at Bitburg, which contains 33 graves, despite the storm of protest he has faced.

In his first round of private talks with Chancellor Helmut Kohl yesterday, Mr Reagan described the good post-war relations between Germany and the US as a miracle. Dr Kohl, in return, thanked him for the courage he had shown "in swimming against the political tide" in the US, where he has suffered serious political damage because of the planned visit.

But a new storm seemed to be brewing yesterday about a remark by the German Government spokesman, Mr Peter Boenisch, who quoted President Reagan as telling

the Chancellor that the Americans had long abandoned the idea of the "collective guilt" Germans bore for the Nazi tyranny.

Both President Reagan and Chancellor Kohl regret that there are voices again today which suggest that such collective guilt exists, Mr Boenisch said.

In a further illustration of the ill-temper that still surrounds the visit to the cemetery, the US Assistant Secretary of State for Europe and future ambassador to Bonn, Mr Richard Bart, walked out of a press briefing over the Bitburg issue.

He had been enraged by a reporter who paraphrased Chancellor Kohl's remarks "that we must never forget and can never forgive," and then flippantly asked Mr Bart: "Who must we never forgive, the American press?"

In a fresh attempt to defuse the Bitburg furor, which continues to

overshadow the economic summit and President Reagan's state visit, Bonn announced yesterday that relatives of officers involved in the unsuccessful attempt on Hitler's life in July, 1944 would be at the ceremony.

They will include Colonel Berthold Graf von Stauffenberg, son of Colonel Klaus Graf von Stauffenberg, the officer who masterminded the attempt to kill Hitler with a bomb in his East Prussian headquarters. Stauffenberg was executed.

Jewish groups who travelled from the US to protest against the Bitburg visit said yesterday that they would stage a vigil on Sunday outside the former Bergen-Belsen concentration camp which President Reagan is to visit before going on to the military cemetery.

He is trying to forget the six million Jews. He should therefore

be unwelcome in Bergen-Belsen. New York Rabbi Avi Weiss, who has brought 500 supporters, said.

Bonn, obviously relieved at the staunch support it has received from President Reagan over Bitburg, said that Mr Reagan and Chancellor Kohl agreed that this year's anniversary marked not only the end of the war and of Nazi barbarism, but also the beginning of a new friendship and partnership between Germans and Americans.

However, the controversy, which seems certain to flare up again during the visit on Sunday, has been fuelled further by revelations that the owner of Gynck Castle, where President Reagan is staying, was a godson of Hitler.

Asked whether he was aware of this, the President told a reporter: "All I know is that after one night I found out that there are no ghosts."

## Peace—after 177 years

From Jane Walker in Madrid

THE TOWN of Mostoles, on the outskirts of Madrid, yesterday signed a peace treaty with France after unarmoured hostilities lasting 177 years.

Mr Batolome Gonzalez, the Socialist mayor of Mostoles, a dormitory suburb of Madrid with a population of 150,000 inhabitants, said that "henceforth there will be peace and friendship between the people of Mostoles and France."

When hostilities broke out in 1508, Mostoles was a small rural village hardly touched by the occupation of Spain by Napoleonic troops.

On May 2 that year, the people of the capital rebelled against the occupying French forces and the bloody battles which ensued and the massacre of hundreds of Madrilenos by the French were immortalised in the painting of Francisco Goya.

The peace celebrations yesterday, which were attended by the French ambassador to Spain and the present mayor, took place in Mostoles town hall. They began with a mass in Spanish and French for the dead in the War of Independence of 1808, an offering of flowers to "the thousands of Spaniards who gave their lives for the freedom of France in the last world war."

A recent Spanish poll indicated that 53 per cent of Spaniards feel France is the principal enemy of Spain, followed by Morocco, England, and the United States. The Soviet Union was seen as the country's principal enemy by 5.8 per cent of the sample of 2,000 people questioned.

Royals win big welcome

MILFETTA, Italy: The Prince and Princess of Wales drew by far the most enthusiastic welcome of their 17-day Italian tour yesterday when they visited a school for the deaf in this small town in the heel of Italy.

Several thousand people lined the streets and crowded balconies, cheering and waving British and Italian flags. — Reuters.

## Polish dissident is gaoled for May Day protest

Warsaw: The Polish dissident, Jacek Kuron, was gaoled for three months yesterday for disturbing the peace and disobeying police during a May Day march by 10,000 Solidarity supporters.

Mr Kuron, who denied the accusations, was detained after he had been seen disturbing the peace and disobeying police during a May Day march by 10,000 Solidarity supporters.

He was among dozens of Solidarity supporters, many of them young people, who appeared in court after being arrested by the police. Mr Kuron was given the harshest sentence the court could impose.

Mr Kuron, aged 31, was one of 12 Solidarity officials released from prison under an amnesty last year. He has been

in and out of prison for his opposition activities since the 1980s.

His lawyer told the court that he could not accept allegations by the prosecution, based on broadcasts by the

Munich-based radio station Radio Free Europe, that Mr Kuron had led the march. The march, one of the biggest opposition parades in Warsaw since Solidarity was suppressed under martial law in 1981, began at the church of the pro-Solidarity priest, Father Jerzy Popieluszko, who was murdered by security police last year.

Western correspondents saw Mr Kuron and another former union official, Stanislaw Mazowiecki, who was also arrested, being allowed to disperse unmolested.

The US charge d'affaires, Mr John Davis, meanwhile, was called to the Foreign Ministry to receive a protest after two US diplomats were detained for alleged participation in a

Nova Huta steel mill near Krakow on Wednesday. The official news agency PAP said Mr William Hard, US deputy secretary, and Mr David Hopper, of the US cop of the pro-Solidarity priest, Father Jerzy Popieluszko, who was murdered by security police last year.

## Rocard hints he will be in the French presidential battle

From Campbell Fage in Paris

Mr Michel Rocard, who resigned as Minister of Agriculture in the Mitterrand government, has confirmed his interest in standing at the next presidential elections in 1988. He was an unsuccessful rival when President Francois Mitterrand gained the Socialist Party nomination in 1981.

In an interview on television, Mr Rocard was asked about being a candidate. "Why couldn't I be? When one has ideas, one is never exempt from the wish to apply them," he said.

In an opinion poll in this issue of the magazine, L'Evenement, Mr Rocard was favoured by 34 per cent of the

respondents. The Prime Minister, Mr Laurent Fabius, was supported by 29 per cent, while Mr Jean-Pierre Chevènement, the Minister of Education, who is on the left of the party, was approved by only 10 per cent.

Mr Rocard, who stands for political and economic realism on the right of the party, left the government because he regarded Mitterrand's decision to introduce a proportional system in next year's parliamentary elections as a backward and defeatist step.

In his latest interview, Mr Rocard urged the party to think hard about the meaning of the government's policies. Action had not been accomplished by an explanation of pol-

icy from the left. "The guarantee for the future that the left has learned to govern and that it will be mindful of its apprenticeship should come from the Socialist Party, but the party has not yet given that guarantee."

If the party acted as he suggested, it would win the parliamentary elections next year. "Since, however, there might be a need for coalition government, the Socialists should present a programme as a basis for future agreement with other parties."

Mr Rocard's ideas will be put to the test at the party congress in Toulouse in the autumn. It is assumed that he wants to influence rather than confront.

## NEWS IN BRIEF

### N-weapons 'deployed'

ISRAEL has deployed a number of nuclear-tipped missiles in the Negev Desert and the Golan Heights, the newspaper Aerospace Daily reported yesterday in Washington.

Quoting unidentified sources, the newspaper said the intermediate-range Jericho II missiles were mounted on erector trucks and supported by nuclear-hardened underground facilities. It was not clear when the missiles were deployed. — Reuters.

### Captives freed

AFGHAN rebels have blown up one of their freshly stockpiled arms dumps in Pakistan, killing 24 Soviet and Afghan captives who broke free and seized it, Pakistani officials said yesterday in Peshawar. The incident took place at a rebel training school on Saturday after a night of fruitless negotiations with the prisoners. — Reuters.

### Beagle peace

CHILE and Argentina yesterday exchanged instruments of ratification, putting into effect a Vatican-mediated treaty ending a century-old border dispute involving the Beagle Channel. The Pope attended the ceremony at the Vatican. — Reuters.

### Film confiscated

AN ITALIAN magistrate in Pesaro yesterday ordered a halt to local showings of Jean-Luc Godard's controversial film, Je Vous Salue, Marie (Hail Mary). The film offended the Catholic religion, the magistrate, Mr Alfredo Menestrieri, said. — Reuters.

### Boxing date

AMERICA's former world heavyweight champion, Muhammad Ali (above), is due to coach Chinese boxers this month, the New China News Agency said yesterday. Ali is due to visit China with his wife, Veronica, from May 11 to 22. — Reuters.

### Nazi extradited

A US magistrate in Los Angeles yesterday ordered an alleged Nazi war criminal, Andrija Artukovic, to be extradited to Yugoslavia where he is accused of being involved in the murder of more than 6,000 civilians. The final decision will be taken by the Secretary of State, Mr George Shultz. — Reuters.

### Smuggler's haul

UGANDAN customs men, searching a London-bound Uganda Airways plane last week, found a briefcase containing \$100,000 in cash and seven kilos of gold, the weekly People reported yesterday. No-one has claimed the haul. — Reuters.

### Gandhi fortune

INDIA's former prime minister, Indira Gandhi, left \$150,000 in property, shares, and money in her will, a newspaper in the States said yesterday. The will left everything to her three grandchildren. — Reuters.

### Border respite

NIGERIA's land borders, closed for a year, will be reopened tomorrow for 700,000 illegal aliens to leave. The aliens, mainly from neighbouring states, have until May 10 to regularise their situation or leave. — Reuters.

### London visit

PRESIDENT Paul Biya of Cameroon will make an official visit to Britain between May 13-17. Mrs Thatcher's invitation, the Government announced yesterday in Yaounde. — Reuters.

### Envoy named

INDIA has chosen Mr P. C. Alexander, a former top official in the prime minister's office, as the new high commissioner to Britain, the London newspaper reported yesterday. The appointment has not yet been officially confirmed. — AP.

### Smuggler's haul

UGANDAN customs men, searching a London-bound Uganda Airways plane last week, found a briefcase containing \$100,000 in cash and seven kilos of gold, the weekly People reported yesterday. No-one has claimed the haul. — Reuters.

### Gandhi fortune

INDIA's former prime minister, Indira Gandhi, left \$150,000 in property, shares, and money in her will, a newspaper in the States said yesterday. The will left everything to her three grandchildren. — Reuters.

## Moscow's lukewarm invitation

From Martin Walker in Moscow

THE Soviet Union has sent Britain an invitation with the lowest possible profile to its big celebrations of the 40th anniversary of VE Day.

It has despatched what amounts to a round robin letter sent to all Moscow embassies to forward home. Britain is invited to send a representative to the three formal events marking the anniversary.

The invitation simply reads: "To embassies in Moscow, events connected with the 40th anniversary of the Soviet people's victory in the great patriotic war. It then lists the formal May 8 celebrations in the Kremlin's Palace of Congresses, the Red Square parade the next day, and a Kremlin reception later the same day."

The British embassy refused to comment on the invitation and said that no decision had yet been reached on why would attend for Britain, although Mrs Thatcher recently told the Commons that the Moscow ambassador, Sir John Sutherland, will probably attend.

The invitation was delivered to all embassies here on the eve of the May Day holidays. Soviet officials have refused to say whether they have received any invitation to attend the VE Day memorial service in Westminster Abbey in London. In contrast to their earlier plans for a reunion of the wartime allies, the Kremlin has apparently decided to play down international participation in its celebrations, at least where the West is concerned.

## Strike halts Sweden

From Roland Stenroos in Stockholm

All flights in and out of Sweden came to a standstill yesterday, and goods traffic by air, land, and sea ceased as the powerful civil service trade union, TCOS, withdrew key workers in a pay dispute.

Stranded air passengers are travelling to nearby Norway and bus. The calling out of more customs officials has aroused fears that drug trafficking might increase greatly during the strike.

The strike — for wage increases in line with the private sector — involves 20,000 workers including one-fifth of Stockholm's police, school teachers in five municipalities, a fifth of the country's postmasters, customs officials, and the crews of icebreakers in the Baltic Sea.

Today, the state employees' association, SAV, is expected to respond by locking out a further 100,000 union members. The strike has been designed to disturb foreign trade after a boom in 1984. Sweden's balance of trade fell to a £1 million deficit at the beginning of this year.

A prolonged conflict, costing Sweden about £100 million a day might provoke the Government into using legislation to stop the strike. This was done once before in 1971, and the recent Danish strike was crushed in this manner. TCOS, one of six public sector unions, reached its two-year agreement with SAV last year.

**DAN-AIR GIVING YOU MORE CHOICE FROM HEATHROW TO MANCHESTER**

3 FLIGHTS DAILY FROM £31 ONE WAY PER

Departing Heathrow 0610, 1420 & 1850 each day.  
Departing Manchester 0645, 1230 & 1700 each day.  
Refreshments are available on all flights.

For reservations telephone: 01680 1011 or (061) 436 5555

**DAN-AIR**  
SCHEDULED SERVICES



# **YESTERDAY LONDONERS WOULD HAVE BEEN ABLE TO VOTE KEN LIVINGSTONE OUT OF OFFICE.**

Yesterday, throughout most of England and Wales, people voted in their County Council elections.

They had the right to choose a candidate from Labour, Conservative, Alliance or any other party.

In London there was no choice.

The GLC elections were cancelled by the Government.

Despite massive public opposition.

But Londoners may not have lost the right to choose for good.

Abolition has not been finally agreed.

The Bill is still before the House of Lords.

And there is still time for the Government to give back to Londoners the right to have a proper say in who runs London.

They still have a choice.

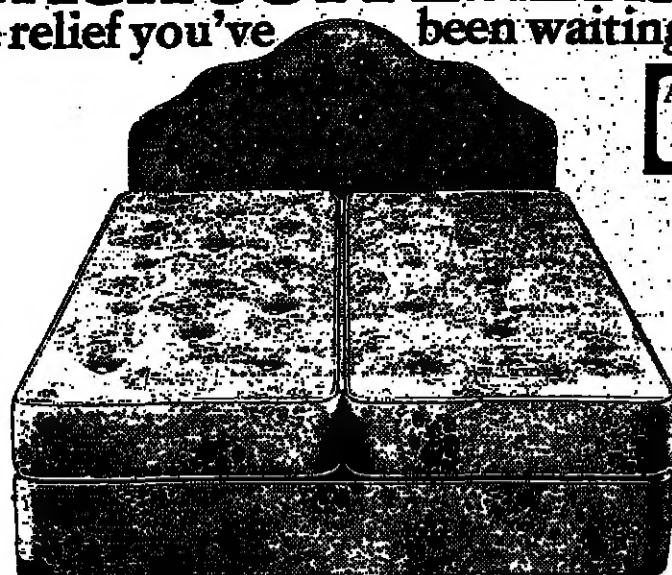
We hope they make the right one.



## BACK SUFFERERS!

The relief you've been waiting for

WRONG  
a sagging bed  
or a hard bed  
can aggravate  
back pain.



AS SEEN  
ON  
T.V.

RIGHT  
the OBAS bed  
gives correct  
support,  
for each  
partner,  
helping  
to bring  
them  
relaxation  
and relief  
from pain.

### Years of experience

tell us that standard beds may not be right for every human body. If they provide excellent support for someone of heavy build they're most unlikely to suit anyone lighter. And vice versa. Either way, at least one partner may well experience aches and pains.

### What's the answer?

A bed from the Orthopaedic Bedding Advisory Service. A double bed with two entirely different types of springs to suit the needs of each partner exactly, to ease them gently into the right positions to keep the spine relaxed and flexible, to help lift the pressure off bones, muscles, tendons, nerve endings and joints.

### Who are OBAS?

We are the Orthopaedic Bedding Advisory Service. Our surgical orthopaedic technician and our professionally qualified consultants have been responsible for the design of thousands of OBAS (single and double) beds to specifications dictated by weight, shape and medical history of each of our customers. This has included doctors' diagnosis, where known.

### We are the experts

All our beds are made by craftsmen and are in appearance just like top quality 'standard' beds — but only in appearance. And we do not charge the earth — in fact no more than a good quality single or double 'standard' bed. Because our beds come straight from our factory we are able to cut out the middlemen's profit and keep our prices down.

If you have a back problem, if your partner's heavier than you or if you suffer from back pain — contact OBAS.

To find out more with no obligation. Post today (no stamp required) to OBAS, Dept. G22 FREEPOST, Dace Road, London E3 2BR.

OBAS: I am interested in knowing more about OBAS orthopaedic beds. I understand there is no obligation of any kind.

Name (Mr, Mrs, Miss)  
BLOCK CAPITALS  
Address

OBAS, Dept. G22 FREEPOST, DACE ROAD, LONDON E3 2BR.

## Christian refugees with little faith in future

From Ian Black  
in Qlea, South Lebanon

AN OLD woman hobbled down the steps of the Qlea church hall clutching a foam mattress and two grey Israeli army blankets.

She sat on the parapet and surveyed the scene listlessly. Behind her, a young man in the uniform of the South Lebanon Army carried a large cardboard box bearing the International Red Cross symbol.

Down the road towards the border, another group of refugees from the Sidon area were beginning their second day in a neat line of olive green marquees laid out between the goalposts on the village football pitch. Mrs Barbara Livingstone, a Christian from Lebanon, gripped the hands of Mr Ibrahim Rizallah, and prayed aloud for his deliverance.

Mrs Livingstone's gospels may well have comforted some of the thousands of Christians who have been pouring into Israeli-controlled South Lebanon for the past week. But their faith has not helped them hide their anger about what brought them here.

In churches, schools, and makeshift camps all over the area, the refugees were complaining bitterly yesterday. "When the Israelis left the Muslims and the Palestinians took our land," groaned Jamil Makhoul from the vil-

lage of Ein Dhihr, near Sidon. "It is the fault of Amin Gemayel and the Lebanese government. They did nothing for us Christians."

The refugees' anger is directed more at President Amin Gemayel and at Samir Geagea, the leader of the rebel Christian Lebanese forces — whose shelling of the Palestinian camps round Sidon brought such harsh retribution — than at those who perpetrated the destruction.

"Is this what Geagea wanted?" asked Huda Mikhail, a haggard middle-aged housewife from Mia Mia, where the church was burned down by ELO men from the neighbouring refugee camp.

Alice Hanna came to Qlea with her four children after their village near Jezzine was attacked last week by a combined force of Palestinians, Shi'ite Amal militiamen and Sunni Nasserites. Her barbs, too, were reserved for the Christian leaders.

"Gemayel," she shouted, "tore up the agreement with Israel. All free Christian people wanted that agreement. We love the Israelis. Now we can trust only them and Lahad's men. They are the soldiers of God."

General Antoine Lahad's South Lebanon Army is still holding Christian Jezzine, to the north of the Israeli security zone, but among the tired and anxious refugees, who have found shelter here

— this week's version of the permanent and familiar play-act on the stage of Lebanon's unending tragedy — there are many who have seen too much to have any faith in anyone anymore.

"Most of my people just want somewhere to feel safe," said Elias Hourani, a shopkeeper from the coastal Kharroub region who has taken refuge in the Sisters of the Sacred Heart school in Marjayoun.

"Many of them want to go to Beirut, Walid Jumblatt, the Druze leader, has promised them safe passage but they don't believe him."

Estimates vary of the precise number of refugees in the Israeli-controlled south. According to Francis Rizk, a Qlea teacher and secretary of the aid committee set up to help house and feed the newcomers, there are between 12,000 and 20,000. Should Jezzine fall, or General Lahad be forced to withdraw, there will be many thousands more.

Accommodation is the biggest problem. But, yesterday at least, there seemed to be no shortage of basic food, much having been supplied by the Israelis.

"The Israelis are helping us," Mr Rizk said, "and they were the first to respond to our appeals. But many people are asking: Where is the Christian world? We don't want them to help us politically or militarily, but just as human beings."



The Israelis move out of southern Lebanon — and behind them they leave the Christian refugees who face an uncertain role in the country's unending tragedy

## Warning of retaliation to villagers who aid guerrillas

## Israel to use fear in border zone defence

Jerusalem: Israel intends to establish a "balance of fear" without a border security zone in south Lebanon and will retaliate against villagers aiding anti-Israeli guerrillas, a senior official said.

The official said Israel plans to set up local militias of 12 to 24 men in the three-to-six miles deep buffer area. Israel, he said, was spreading a message among the south Lebanese — cooperate with anti-Israeli activists from the north and risk retaliation, or prevent guerrillas from entering the area and live in peace.

The Israeli-armed South Lebanon army militia will continue to patrol the area, but its members from outside the security zone will be discharged and sent home, the official said.

Israeli forces will be stationed just across the border and come to the aid of the local militias and the SLA if they cannot maintain security. "In the security zone, there will be a balance of fear," the official said.

The Defence Minister, Mr Yitzhak Rabin, has said villagers in south Lebanon will not live in peace if northern Israel is attacked. "Nabatieh had 4,000 inhabitants when we came in. Now it has 60,000 and it can easily be returned to 4,000 in a matter of hours."

They know it, and that's why they're behaving," the official said.

Israel sees the coming weeks before the planned withdrawal by the beginning of June, as a time to disrupt the population to the idea that Israeli soldiers will be at the back and call of the local militia.

Officials here feel that their army has lost credibility in Lebanon through its retreat and now the Lebanese must be convinced that Israel is not turning its back on its northern border.

They acknowledge this will inflame some anti-Israeli sentiment but feel it is safer than ending all involvement, abandoning Israel's allies in the area and leaving the Galilee open to attack.

The Lebanese who live in the zone, a mix of Shi'ite Muslims in the west, Christians in the central sector, and Druze to the east, will learn that Israeli forces arrive within minutes to deal with any situation, according to the officials.

Israel will continue to pave roads, teach farming, and provide medical care and water as part of its "good fence" policy begun in the late 1970s and accelerated in the past two years. It also is strengthening the border fortifications to block suicide car bombers. — Reuter.

## Khamenei's sister defects to Baghdad

Baghdad: The sister of Iranian President Ali Khamenei has defected to Iraq just before the Iranian presidential election. She and her five children fled Iran to join her dissident husband here, she said yesterday.

Badri Hosseini Khamenei told a news conference she had left Iran by land "with the help of some friends" after her brother had refused to allow her to pass.

She said she would not engage in political activities, unlike her husband, Sheikh Ali Tehrani, who has been in Iraq for more than a year. He and the five children, aged between four and 22, were at the news conference arranged by the Iraqi Information Ministry.

Mrs Khamenei, aged 40, said she asked her brother for a passport eight months ago but he told her he could not do anything for her because Iran was at war with Iraq. Ahmed, son of Ayatollah Khamenei, had also refused to help, fearing she would join her husband.

"I told Ahmed the current regime in Iran is worse than that of the Shah because the Shah allowed your family to join your father (Khamenei) when he was expelled to Iraq more than 20 years ago," she said.

She added that she knew her defection would embarrass her brother. It comes as Iran announced that presidential elections will be held before July 22.

President Khamenei, aged 45, Iran's third President since the Islamic revolution, completes his four-year term in September but has not said whether he will seek a second term.

Mrs Khamenei arrived in Iraq with three of her children, aged 15, 14, and four. The other two arrived separately after being briefly under arrest in Iran.

Two oil tankers, one Nigerian and the other Japanese, came under air attack by Iran in the Gulf yesterday north of Qatar and at least one was hit, blazing. — Reuter.

## KGB orders secrets

TEL AVIV: The KGB tried to obtain US missile sensors by forging a telexed order in the name of an Israeli military contractor, an Israeli daily said yesterday.

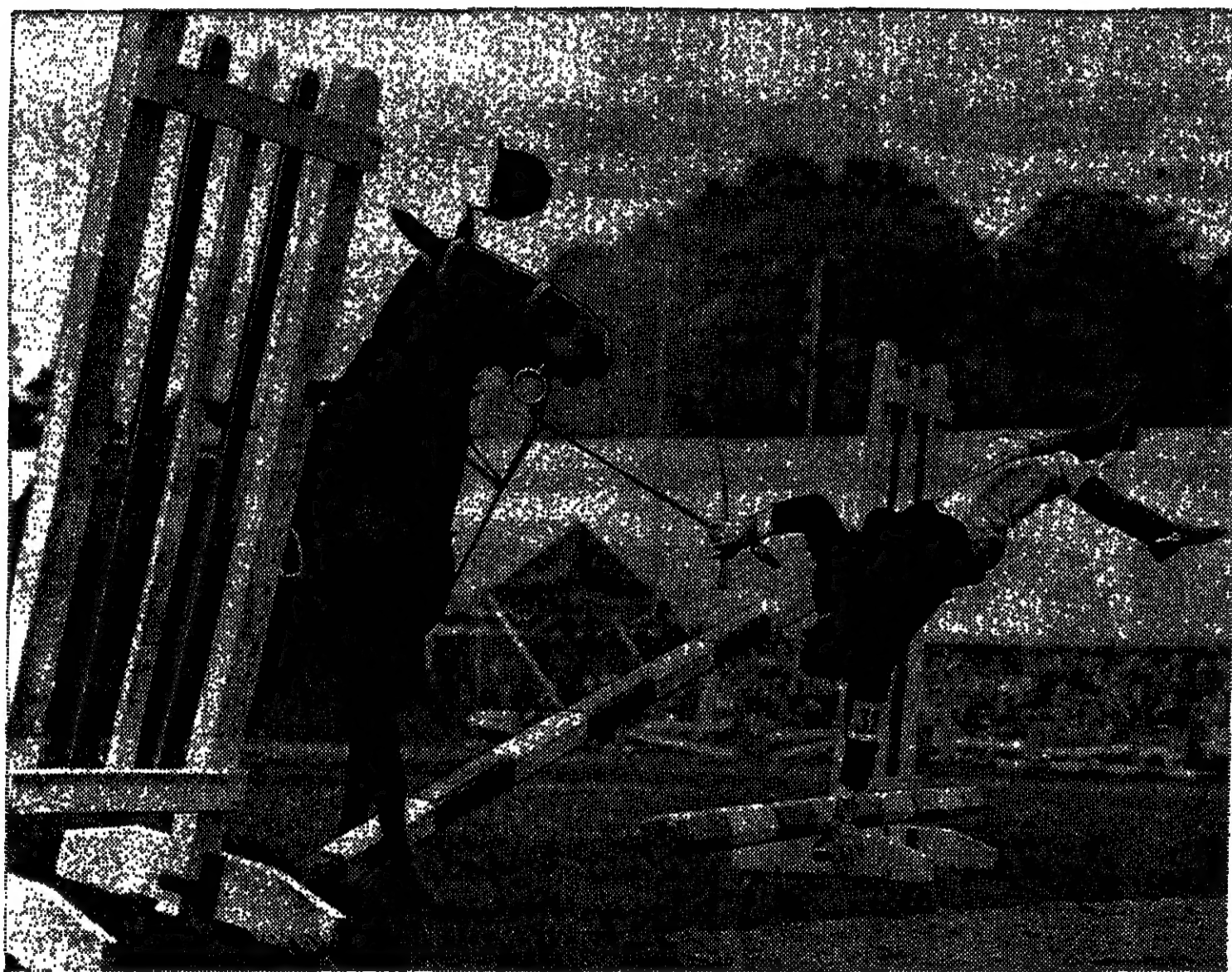
The Russians hoped to use them to improve the accuracy of their Katyusha rockets, used by Arab guerrillas and many Arab armies, Davar said.

The paper's Washington correspondent reported that a Pentagon official told Israeli industrialists that the FBI foiled the plot.

The Israeli electronics firm Tadiran, the sole foreign buyer from Hughes Aircraft of sensors used in Israeli missiles, had used open telex lines to order the equipment, the paper added.

Hughes became suspicious after getting a telexed order ostensibly from the Israeli firm and contacted it for verification. Tadiran said it never sent the order.

Two Polish agents working for the KGB were arrested when they claimed the shipment. Davar said. — Reuter.



"Hang on, Harvey. If INVAC's rate has gone up to 12.75% and you can save by post, what's the hurry?"

Now you get an even bigger return with a National Savings Investment Account, because the rate's just gone up to 12.75% p.a.

And thanks to our Save-by-Post scheme, it couldn't be easier or more convenient to invest.

Because once you've made your initial deposit (from as little as £5 up to a maximum balance of £50,000) we'll send you your Investment Account book and a pre-paid envelope for your next deposit. From then on you can pay in at any time you like by post — no stamp, no forms, no fuss.

Or you can use any one of 20,000 post offices, whether for opening an account or making subsequent deposits.

INVAC interest is calculated on a daily basis. It is credited in full without deduction of tax.

The rate may change

12.75%



Investment Account

from time to time so that we can keep it competitive.

Withdrawals are easy too — all we ask is one month's notice.

All of which makes INVAC a highly profitable, extra convenient way of investing your money.

### WHAT TO DO

To open a new account by post, just fill in the coupon and send it with a cheque (not cash) made payable to 'National Savings', to National Savings Bank, Glasgow G58 1SB.

If you already have an account just send your bank book and your cheque — no coupon is required. Alternatively, you can of course open an account or make a deposit at your post office — cheques to be made out to 'The Post Office'.

### FILL IN FOR NEW ACCOUNTS ONLY

To National Savings Bank, Glasgow G58 1SB

I wish to open an Investment Account:

SURNAME: \_\_\_\_\_

FORENAMES: \_\_\_\_\_

DATE OF BIRTH: \_\_\_\_\_

(Essential for children under 7 years)

ADDRESS: \_\_\_\_\_

AMOUNT DEPOSITED: \_\_\_\_\_

I declare that the information given by me on this form is correct.

USUAL SIGNATURE: \_\_\_\_\_

(If child under 7, signature of person opening account. Withdrawals are normally allowed until child is aged 21)

Please give number(s) of any other NSB Investment Account(s): \_\_\_\_\_



Priest claims huts burned to prevent anyone returning

## Ethiopia says refugees left camp of their own free will

Nairobi: Ethiopia yesterday denied newspaper reports that 50,000 famine victims were forcibly moved from a feeding centre last weekend, but a Catholic priest said at least that number had been ordered to return to their homes.

Mr Dawit Wolde Giorgis, head of the Ethiopian government's Relief and Rehabilitation Commission, said in Addis Ababa that the report was a fabrication.

He said 30,000 people at the camp at Dinet, northern Gondar Province, had freely decided to go home to work on their farms because of recent rains, and that 25,000 people remained at the feeding centre.

But Father Jack Finucane, field director of the Irish aid agency Concern, said that at least 50,000 famine victims were ordered "though not at gunpoint or through being immediately burned out—to leave the Dinet camp, and only 3,000 elderly or infirm people were left."

Father Finucane said the remainder were ordered home last weekend by officials of the Workers Party of Ethiopia, set up in September, 1984 by the Marxist government to oversee Ethiopia's Socialist development. By Tuesday, their huts had been burned down "to deter them from coming back," he said.

Mr Dawit said the 30,000 people who had opted to leave the feeding centre were given "provisions as well as seeds and farming implements and were allowed to go" to take advantage of the current rains to grow their own food.

Father Finucane, who visited Dinet on Tuesday and spoke to an eight-person Concern team there, said only a few people were given provisions but of

## Punjab split puts peace in jeopardy

From Eric Silver in New Delhi

A leadership battle between moderates and militants inside the main Sikh party is threatening to upset efforts by the Prime Minister, Mr Rajiv Gandhi, to restore peace to the Punjab.

The prospects for a negotiated settlement have now receded, despite a new pledge by Mr Gandhi to make every effort to end the conflict in the state.

Mr Harbansingh Singh Longowal, president of the Akali Dal, is fighting to stage off a takeover led by the 50-year-old father of Sant Jarnail Singh Bhindranwale, the preacher of violence who was killed last June when the army stormed the Sikhs' holiest shrine, the Golden Temple in Amritsar.

Mr Joginder Singh said on Wednesday that the two rival Akali Dal factions, the more moderate under Mr Longowal and the more extreme under Mr Jagdev Singh Talwandi—were merging under his leadership. He claimed they had authorised him to bring them together.

He also announced the formation of a nine-member committee to manage the party's affairs, and its composition leaves no doubt that it would be a committee to resist rather than to accept any compromise with the Government.

Its members include a former senior police officer known as Bhindranwale's ideological mentor and now under detention. An Indian diplomat who resigned after the Golden Temple action and sought political asylum in Norway, the brother of the extremist president of the Sikh Students' Federation, and Bhindranwale's older brother, Jagjit Singh Rode, who was released on bail earlier this week.

Mr Longowal said he had no right to dissolve the party. Even if a party chief did not have the power to dissolve the party, he said.

He has called an Akali Dal conference in Amritsar on May 17 to discuss the new situation. It had, he said, created "confusions and misunderstandings" in the party and among Sikhs in general.

While admitting that he had authorised Mr Joginder Singh to promote unity, he maintained that he had never given him the right to dissolve the party or set up a committee.

Mr Gandhi's initial reaction was to say the Government would not do anything until the Akali Dal found an undisputed leader.

Mr Gandhi has tried hard in the past month to draw the Sikhs into negotiations. Most of the Akali leaders decried after the storming of the Golden Temple have now been freed. A High Court judge is to investigate the massacre of Sikhs after the Gandhi assassination, and the Sikh Students' Federation, banned at the height of the Bhindranwale terror campaign a year ago, has been made legal.

The only Sikh term for resuming dialogue that the Prime Minister has rejected is an amnesty for Sikh soldiers who mutilated last June. But most are receiving lenient sentences from courts martial.

The problem remaining—sharpened by this week's claims and counter-claims inside the Akali Dal—is who now speaks for the Sikhs and, if an agreement were reached, could it be made to stick? As a reminder that the days of Sikh terror are not over, a local leader of Mr Gandhi's Congress party was shot dead on Wednesday.

The only Sikh member of the Cabinet, the Agriculture Minister, Mr Bhai Singh, had a heart attack in Parliament yesterday, and his condition was later reported to be comfortable. Reassured by the Golden Temple high priests last month, he continues to dispute their authority to penalise him.

A strike by government employees in the western state of Gujarat, where at least 73 people have been killed in two months of riots over a minorities policy, yesterday threatened to spread to new areas.

The Press Trust of India news agency said a union representing 700,000 state civil servants had called on members to stay away from work today and to go on indefinite strike from May 17.



Protest: Some 20,000 Filipinos mark May Day by burning an effigy of a three-headed monster depicting the Government, imperialism, and feudalism at a Manila rally on Wednesday

## Soldier 'held gun' at Aquino

MANILA: The only person to admit to witnessing the murder of the Philippine opposition leader, Benigno Aquino, said yesterday that she saw a uniformed soldier point a gun at his head and then heard shots.

Ms Rebecca Quijano, aged 32, a businesswoman, was applauded and cheered by spectators when she took the stand for the first time—and lawyers and prosecutors rushed to guard her when the power failed and plunged the Manila court into darkness.

"I saw a gun held at the back of Aquino's head and heard gunfire," Ms Quijano testified, adding that the gunman wore the khaki uniform of the paramilitary Metropolitan Command (Metrocom).

She did not identify him. An official inquiry last year said that the gunman was either Constable 1st Class Rogelio



Ms. Quijano: key witness takes stand

Moreno of Metrocom who was behind Aquino or Sergeant Filomeno Miranda. Ms Quijano had been on the plane that brought Aquino from Taipei to Manila. He was killed as he left the airliner after returning from exile in the US in August, 1983.

Ms Quijano became known as "the crying lady" who burst into tears at the airport after the killing but then disappeared. She said that she agreed to testify after her lawyers said her best protection was to tell the truth.

Ms Quijano said yesterday that Aquino and the soldiers escorting him from the plane, were three-quarters of the way down the steps when she looked out of a window in the first class section, saw the gun and heard the shots. The military blamed the murder on Rolando Galman who it accused of being a Communist agent.—Reuter.

## Vietcong 'betrayed by the North'

Paris: Amid the torrent of publicity surrounding the tenth anniversary of the end of the Vietnam war, a former Vietnamese revolutionary leader sits in a small, simply furnished Paris apartment and remembers with bitterness.

Truong Nhu Tang stands out from other refugees who fled their homeland after the fall of Saigon and the communist takeover of South Vietnam in April, 1975.

He was a founder of the South Vietnamese National Liberation Front (NLF), known to the Americans as the Vietcong, and a former minister in the Provisional Revolutionary Government (PRG) which took power after the US-backed regime fell. It held power until North and South Vietnam were reunified in 1976.

In 1979, disillusioned with events, Tang fled by boat, the only senior revolutionary to do so. In a rare interview, he discussed his life and the reasons behind his decision to flee.

Tang, a small, gentle, grey-haired man in his 60s, said: "Today, 10 years after we won, I am personally so disappointed. I feel so sorry for my people, for my country, in as much as our revolution has been betrayed, and we have been cheated of our liberation."

A book by Tang on his experiences came out last month in the United States and is due to appear in Europe later this year.

Accusing the northern-dominated leadership of being ideologues who want to model the country on the Soviet Union, he said: "Those who act against the interests of the people will be overthrown by the people, they will be judged by history."

Tang, who as Minister of Justice in the PRG assumed the same job when Saigon fell, spoke of his bitterness at learning that after years of fighting alongside North Vietnamese army regulars, he and his fellow NLF guerrillas were to be edged out in the subsequent struggle for power.

## Botha says victory 'a vote for reason'

From Patrick Laurence in Johannesburg

President P. W. Botha yesterday described the victory of the ruling National Party in critical by-elections in Port Elizabeth and Harrismith as a vote of confidence from the white electorate for "balance and reason."

The NP retained its parliamentary and provincial council seats in Newton Park, Port Elizabeth, with slightly reduced majorities, while only just scraping home in the rural constituency of Harrismith.

The by-elections were the first poll test for Mr Botha since the NP's decision to scrap the controversial laws forbidding interracial sex and marriage, and the killing by police of 20 blacks at Langa on March 31.

Mr Botha said they took place in the teeth of an emotional campaign by ultra-rightwing forces against the pending repeal of the sex laws and in the midst of a recession which has forced the government to reduce the annual bonuses of civil servants and to refuse to grant an increase in the producer price of maize to farmers.

Civil servants and farmers have traditionally supported the NP, but in recent months many responded to assiduous wooing by Dr Andries Treurnicht's Conservative Party, which has blamed the country's economic ills on government incompetence.

In Port Elizabeth, however, continuing rebellion in the townships almost certainly assisted the NP in beating off a challenge from the relatively liberal Progressive Federal Party. The PFF rather than the ultra-rightwing CP was the main threat to the NP in Port Elizabeth.

PFF leaders accused the NP during its campaign of adopting a highly conservative stance and of trying to link the PFF to the extra-parliamentary United Democratic Front, which President Botha has charged with joint responsibility for the outworn Apartheid National Congress for unrest in the townships.

"The NP fought almost a CP campaign against us, exploiting the Langa shooting to the full to create a siege-like mentality among the voters," Dr Frederick van Zyl Slabbert.

In the Harrismith provincial council by-election, the CP came within a whisker of defeating the NP, its candidate losing by less than 250 votes. The NP had not been expected to win the Free State Provincial Council since 1953, so complete has its domination of the province been.

It was against that background that the CP yesterday described the Harrismith result as "a tremendous achievement."

Its leader, Dr Treurnicht, remarked that Harrismith had only been 14th on the CP list of priorities in the Free State. He predicted that the CP would win Harrismith next time.

Police in Johannesburg said three more blacks were killed in anti-apartheid rioting yesterday, and three policemen were wounded when they were attacked by blacks throwing stones and firing singhats.

Police said rioting flared in six black areas around the country. They shot and killed two blacks during the pitched battles in Kwanobuhle, nine miles from Port Elizabeth.

## Inquiry told police lied about shooting

Uitenhage: South African police conspired to give a completely fabricated account of how they shot dead 20 marchers in a black township, a lawyer told an official inquiry yesterday.

Police say a small patrol opened fire on March 31 when it was stoned by an aggressive crowd of 14,000 in Langa. But a lawyer for families of those killed and wounded told the inquiry here yesterday: "It is my submission that there is strong evidence of a deliberate and well-orchestrated police conspiracy to tell a fabricated story."

Mr Wim Trengrove told Judge Donald Kannevener that a boy on a bicycle, Moses Buwa, was the key to whether the police account was true. The police account was that Langa people say to a funeral walking peacefully to a township, in a neighbouring township,



Harchand Singh Longowal: takeover target

## Chinese swing into golfing

Shisanling, China: A Chinese revolutionary hero, Wang Zhen, swapped his lacquered cane for a three-iron yesterday and, at the second attempt, nudged his golf ball a few yards into the valley of the Ming emperors.

Wang, aged 77, a member of the Communist party politburo, was attending ceremonies to mark the start of construction of Peking's first golf course, a \$16 million Sino-Japanese venture, at Shisanling, north-west of the capital.

The shibui old man in a strict black Mao suit missed on his first swing off a makeshift tee, but his second blow sent the ball bounding down the first fairway which had been sprayed with green paint for the occasion.

The Japanese ambassador, Yosuke Nakae, then took a turn. His first drive also failed to make contact and the pink rosette he was wearing fell off.

The Peking International Golf Club is due to open in a year. It is being built by Japan Golf Promotion Incorporated in collaboration with the local authority responsible for the Shisanling Valley—the once-banned resting place of 13 of the 16 Ming Dynasty emperors who ruled China from 1368 to 1644.

Access to the valley was long forbidden to all except the living emperor, and the staff who maintained the temple buildings.

A farming commune was established in the valley after the victory of the Communists in 1949, and two tombs were restored for tourists, but the others have fallen into ruin.

China has indicated that it will break with its Maoist past and play a stabilising role in Asia, the International Institute for Strategic Studies said in London yesterday.

The institute, however, raised doubts as to whether the new course charted by China's 80-year-old leader, Deng Xiaoping, could be maintained after his death because no charismatic figure in the same mould was waiting in the wings.—Reuter.

## Peking to fight drugs

From Mary-Louise O'Callaghan in Peking

China is grappling with a drug problem, including opium and heroin trafficking, despite earlier denials, officials have admitted.

The deputy governor of Yunnan Province in south China, which borders Burma, Laos and Vietnam, said recently that drugs were being smuggled across the border and some people had a drug problem.

Foreign students here have long found marijuana readily available but Mr Zhu's comments are the first official confirmation of the drug problem.

## Four years old. Seriously underweight for her age. Scavenging for food where she can find it. And she's English.

With a stepfather who refused to acknowledge that she even existed and a mother who was too frightened to help her, this child was being slowly and deliberately starved.

She was feeding herself out of dustbins, and when the case came to our attention the child was suffering seriously from malnutrition.

It didn't happen in the famine stricken third world. It happened in a nice English town, (like the one you live in).

The NSPCC doesn't set out to punish the parents or break up the home.

We can give positive help by protecting the child while we provide assistance and advice that both the child and the parents obviously need.

£15.48 can protect a



child for two weeks. That's the sum we're asking for now.

The rate of public donations is just about keeping pace with the number of new cases we have to tackle.

If ever that source of money dries up, we'll have to seriously cut back our services.

If you can't afford a fortnight's worth of protection, whatever you can afford will be gratefully received.

And it will all go to help more than 40,000 of your fellow countrymen.

I would like to help protect a child, and I enclose my cheque or postal order for £15.48. Access and Visa card holders may debit their accounts.

No.

Signature

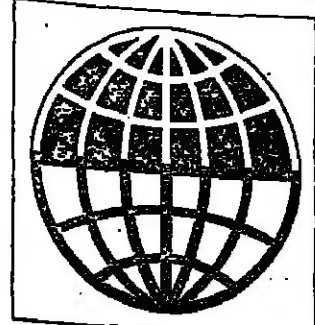
Name

Address

Postcode

Please send your donation to Dr A. Gilman, NSPCC, Red Cross House, 100, Strand, London WC2R 2ES.





## THIRD COLUMN

## Home is the hunted

ON FRIDAY, March 29, Manuel Guerrero, primary school teacher, 38-year-old, leader of the Santiago Branch of the teachers' trade union, had his throat cut by a right-wing death squad on a road near the international airport of Santiago. Killed with him were Jose Manuel Parada, who worked in the department of law at the Catholic Church, the Vicar of la Solidaridad, and Santiago Natividad, a 64-year-old painter, and a leader of the teachers' union.

Another teacher, Leopoldo Munoz, who tried to stop the abduction, is now in hospital in a critical condition after being shot. General Pinochet's secret police, the CNI, raided the headquarters of the teachers' union the next day.

I first met Manuel Guerrero during a short visit he made to London from his exile in Europe in 1980. He had been a youth leader in Chile and so we, Chilean exiles of the Young Popular Unity (YUP), who had supported Allende's government, organised a series of meetings with British youth organisations.

Manuel gave them greetings in the name of the Chilean youth fighting against Pinochet's dictatorship. On the way we learned about the organisations we visited and sought ways to increase solidarity with the democratic struggle in Chile. Manuel also told numerous interesting groups from the exiled Chilean community here.

Three years later to our great surprise we found out he had returned to Chile, which he had done because his life was in danger.

Manuel was one of the very few "disappeared" who had reappeared.

His "disappearance" was a long 20 days of sustained threats and ill-treatment. He was detained in June, 1978 in La Florida, Santiago. As is usual in these cases, his captors got out of a car and started beating him up with a brutal way without any kind of warning. As he resisted they shot him. The bullet went through his chest and lodged under a bone. His captors would later tell him he was a "lucky man" and would also ask him, laughing at him, to fill out their weekly betting cards. Even during torture he never lost his sense of humour and he reminded him, "You are a lucky man."

Manuel did not talk about this. I remember that. But, knowing how painful his time in detention had been, I once asked him about it. I was not a detainee once and was tortured and I know how difficult it is to talk about these things. But I did it to have his own direct account.

Now I remember that he told me how they had even gone as far as using his bullet wound to torture him. Another thing he mentioned was that he was not afraid of the torturers, so he would not recognise his torturers later.

He thought that the psychological deformity which is required to become a torturer must be expressed in some kind of deformity easily apparent to the naked eye — a contorted face, a look which betrayed the crooked mind of the torturer. But this was not so. Once, he said, his hand-dance fell off or they took it off and he was able to see their faces. They seemed perfectly ordinary guys.

Manuel's return to Chile was dramatic. In an interview by the magazine *Analisis* (today banned by Pinochet), he tells how he was recognised at the secret police, CNI. "It's him, it's him," they said. In one way or another that "it's him" heard only minutes after landing on Chilean soil.

Every month and from different parts of the world, Chileans return to their country. A British friend asked me the other day: "But why are you all going back? Here you will not be followed or killed by Pinochet's secret police."

Perhaps the answer to such a sensible question lies in the "Tourist Snapshots of Chile" which Adrian Mitchell brought back from Santiago last September. "They Chilean exiles returned to Chile now, not because it's safe to do so but because they want to go home, especially now when anything may happen."

**Osvaldo Ramirez**

Osvaldo Ramirez is a Chilean living in London.

All articles on this page copyright Guardian Third World Review © 1985

Chiam See Tong — after the triumph not a smooth ride

Clive Syddall reports on the impact of Singapore's coffee-shop Opposition

## Two-man band calls the tune

IT'S 7 o'clock on a Thursday evening and the Potong Pasir coffee shop is preparing for the busiest night of the week. The chatter is not idle neighbourhood gossip. There's a smell of politics in the air. A small bespectacled man with a slight stoop enters the shop and the customers start clamouring for his attention, pressing to get near him and shake his hand.

Chiam See Tong holds an unusual office in Singapore, that of an Opposition MP and since his surprise election last December, he has been the centre of treatment usually reserved for a film star.

The Potong Pasir coffee shop is one of the many traditional neighbourhood eating houses on government housing estate just off the Serangoon Road. The coffee shops in this area were a landmark during the campaign in Singapore's last election when the prime minister, Lee Kuan Yew, received a disturbing message from his unusually pliant electorate.

In a country whose government has a reputation for being aloof from the people, Chiam went out of his way to sit down with constituents and talk about their problems. He was the first time that any political candidate had reached out to meet the local people.

Sitting in a coffee shop was too low for the government candidates, said Chiam. "Before they met the electorate, an elaborate reception was laid on, build-up in the streets, and later cleared from the streets. How could they expect to communicate with the people?"

He claims his coffee shop meetings were a major factor in his surprise victory. Today he still uses the coffee shops as an unofficial "surgery," and a place to meet support-

ers and plan strategy with his party aides.

Chiam is leader of the tiny Singapore Democratic Party. Together with J. B. Jeyaretnam, leader of the Workers' Party, who in 1982 became the country's first opposition MP for more than 15 years, they form the small official Opposition to Lee Kuan Yew's governing Parliamentary Action Party.

Chiam campaigned to make Singapore more democratic, attacked the high cost of public housing, the streaming of school children which divides children into fast and slow learners at an early age, and Lee's graduate mothers' programme — a system of incentives to encourage highly educated women to have more babies, and the rest to undergo sterilisation.

Chiam won convincingly with a 60% majority in his own constituency. Jeyaretnam was re-elected to his Anson district by a smaller margin and five other Opposition candidates only narrowly missed winning their seats.

With only two out of 79 seats, they do not pose much of a threat to the government, but Lee Kuan Yew was not amused by Chiam's success or the size of the Opposition vote. He threatened to reconsider the one man, one vote system and to withdraw certain P.A.P.-sponsored community level services from constituencies that voted against his party.

Outside the coffee shop, a queue of over 100 people had formed by a makeshift office with tables and chairs in what is known as a "void" underneath one of the lower blocks. A big red banner over the table proclaimed: "Meet The People's Session — Service Before Self."

Residents line up to seek their M.P.'s views on government policies and pour out their problems. A distressed Chinese woman in her late



forties tells Chiam about her Malay husband who has been refused a renewal of his temporary work permit and risks being deported back to Malaysia in ten days' time. Another called him "a danger to Singapore."

None of this comes as a surprise to J. B. Jeyaretnam, Singapore's other Opposition MP. "This place is run by a load of faceted technocrats and zombies," he said. During his first term in parliament, there was very little he could do but ask pointed questions of government ministers who often treated him with contempt. However, that attitude may now change.

"Now," he said, "the Opposition can table motions because Chiam will be there to second them. He longs for the return of the British House of Commons style of parliamentary democracy to Singapore where 'the job of the Opposition is to oppose, but Chiam is less radical than

J.B. and has his own ideas of the role of the Opposition."

"In our society, you cannot oppose for Opposition's sake, if we did that we would be misunderstood. In Singapore, the public wants to see us play a constructive role or a complementary role to the government. But when the government is wrong, we will say so." Chiam is prepared to give due credit to Lee Kuan Yew's achievements in Singapore, saying he was probably the only man who could have turned the country round economically.

He feels, however, that now the country is financially sound, it is time to relax some of the more restrictive policies where they affect Singaporeans' personal freedom.

One factor helping Chiam to establish himself with the public has been the recent introduction of television into parliament. "Taxi driv-

ers, labourers and hawkers who thought members of the government were invested with some superhuman powers can now see they are ordinary people like themselves. Televising parliament has been good for the Opposition."

Chiam may have a point. A senior Singaporean Broadcasting Corporation executive agrees that televising proceedings has taken the mystique out of parliament, and a senior aide to the Prime Minister, confident that apart from Mr. Lee, government ministers are not very good on TV and "we are looking at ways to improve them."

The important question is whether this two-man Opposition can grow into something that will have more influence. There are signs that it will. Shooked by the size of the Opposition vote, the government is already reviewing many of its controversial policies which were under attack during the election, including the much disputed graduate mothers' programme which is now likely to be dropped.

There are also signs that people are more willing to join the Opposition party. Chiam's list went into the last election with only 300 members, it now has over 1,500 and the number is still rising.

It is notoriously difficult, however, to open up the government. There are regulations that prohibit

political rallies and speeches except during an official election campaign. People are restrained from criticising the government for fear of reprisals; even letters sent to the national newspapers commenting adversely on the government's policies are published under assumed names. It has not been unknown for critics to be arrested and held without trial.

Members of the governing party still ridicule Opposition politicians for their inexperience and humble backgrounds, but some senior ministers are now beginning to acknowledge Chiam's political presence.

Lee Hsien Long, the prime minister's son and newly elected MP, said, "If I set a policy and Chiam can stand up and convince half the population that it's absurd, then either it's absurd, or I'm not a very good salesman."

Both MPs agree that the next four years are crucial for the Opposition. As Chiam puts it, "If we don't keep up the momentum and we fail to check this government's increasing power, then Singapore will end up as a totalitarian state."

Chiam walked away from the coffee shop late that night, one of Chiam's supporters raced after me and grabbed me by the arm. "You journalist," he said, "You Western journalist, have you not tell them what it's really like? There's no democracy here."

For students of censorship everywhere (at least 171 known cases in Taiwan last year), Index has performed a service.

WOMEN in Algeria wear white headscarves and their noses are veiled behind their husbands in public, and submit to their mothers-in-law in private. Women locked in their flats all day by their husbands resort to neighbours on balconies below or below in the great blocks of white-washed flats in central Algiers.

These closed female worlds are all the more striking to outsiders who also see the other face of Algerian women — the glamorous, tough lawyers, doctors, and actresses who have broken from traditional patterns.

All Ghalem, an Algerian film maker, has written an extraordinarily vivid and touching novel of the secret world of women within the extended families who fight off the modern world. The central character of *A Wife for My Son* (Zed Press) is young Fatima who withers away with unhappiness after her traditional marriage to a stranger. Her life, an alienated young man working in such miserable conditions in France that he cannot take her with him.

Ghalem brings the noisy emotional family to life, its warmth and torturous cross currents swirling round the unhappy girl as she refuses to adjust. But a threatened miscarriage and a spell in a female hospital ward revive Fatima to the cheerful independent girl she was before basking in the warmth of female friendship so that she leaves the stifling family

**Victoria Brittain, Third World Review editor**

## CHINA

## People's courtship

Michael Zander on the determined push to improve legal services

ONE of the most puzzling events of recent years in China was the call last May by Deng Xiaoping for 300,000 lawyers — more even than the United States. At present there are only 15,000.

For over 2,000 years lawyers have played a small role in China. For most of the imperial period there was no legal profession, consisting mainly of criminal law. The moral code (li) was more important than the law, which educated people were taught to despise as an inferior form of social control.

In the first decades of this century western style codes of law were introduced, new courts were established, and law schools were set up in universities. But the number of trained lawyers was small. After the Communists came to power in 1949 the nation had a legal order independent of the will of the party was untenable. Judges were chosen for their political reliability.

From 1967 to 1977 in the Cultural Revolution the situation was even worse.

The turn of the tide is generally dated from the Third Plenary Session of the National People's Congress in December 1978, which issued a communique that "there must be laws for people to follow, those laws must be observed, the subversion must be strict and lawbreakers must be dealt with."

The conversion to some idea of the rule of law since Deng took over in 1977 seems real as far as it goes. Dozens of new laws including two successive constitutions have been enacted. The 1982 Constitution established the formal supremacy of the law, even over the army and the party. ("No organisation or individual shall enjoy privileges that transcend the Constitution and the Law.")

The legal profession was reconstituted by the National People's Congress in August, 1980. Today there are more than 2,000 legal advisory offices. Lawyers are state salaried employees who act as legal advisers and appear as advocates in court though non-lawyers can appear as advocates as well.

Law schools have been started again in nearly 30 universities and institutes, and law graduates are coming off the production line in substantial numbers. Law is being brought to the people by massive publicity campaigns through the press and TV and public education programmes.

The new policy of opening China to foreign legal influences is being vigorously pursued. Since 1980 there have been more than 100 visiting foreign legal delegations,

many sponsored by the ministry of justice.

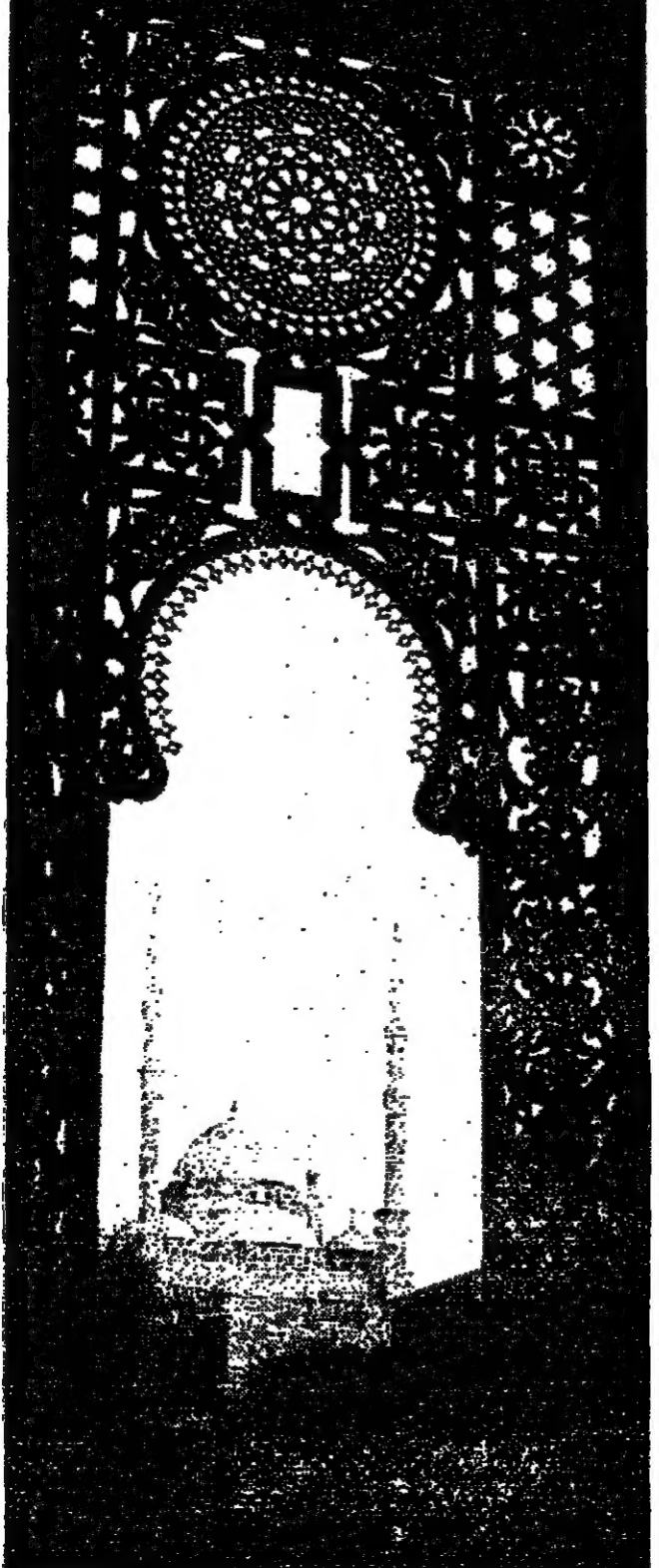
We were told repeatedly that the Chinese were anxious to study the common law system and especially its approach to the control of the bureaucracy through administrative law.

Nevertheless it is difficult to imagine that either Chinese lawyers or courts will in the foreseeable future be able to play a role comparable to that of their

Anglo-American counterparts. The present generation of judges for the most part appear to have more of a legal background.

Even though this is gradually changing, the Constitution and officials guarantee the independence of the courts somewhat inconsistently, also makes the judges accountable to the National People's Congress, and its Standing Committee.

In jeopardy? the Mohammed Ali Mosque. Picture by Michael Jenner



which appoints and can dismiss them.

The ministry of justice controls the certification, discipline, training, rewards, and assignment of lawyers.

There is no tradition in China of using the courts to act as a check on government organs and officials, and given the apparent political subservience of both lawyers and the courts, it will be difficult to establish such a tradition.

The apparently genuine desire to investigate the Anglo-American system in general and its administrative law system in particular is a promising sign. It is difficult to imagine the model serving any very practical purpose in China today.

No doubt, as the economic system develops, there will be scope for more lawyers, but western experts journey to China to study their system whereby ordinary citizens resolve disputes through informal mediation.

Happy the country that can find an acceptable alternative to lawyers and litigation.

## EGYPT

## The wet threat

The latest attempt to save Cairo's old city is causing concern.

Michael Jenner reports

IN 1980 a group of consultants commissioned by Unesco put forward an ambitious programme to deal with damage to Cairo's old city, which is within the choking strangle of expressways and sprawling suburbs of the modern metropolis.

That plan has now been shelved as impractical by the Egyptian Antiquities Organisation. Instead, individual buildings are being restored. Masons and builders are at work and for the first time almost as much is being spent on the Islamic as on the Pharaonic sector.

However, there is much concern that this solution is no more than cosmetic, and ignores the underlying problems, particularly the floating water table that penetrates buildings and leaves corrosive salts to add to the rot and decay.

So far the Egyptian authorities have made no appeal to the international community, but conservationists within the Islamic world and abroad are watching anxiously.

## LETTER

## A pinch of salt

Sir: — Peter Fraenkel's article (Third World Review, April 12) gave some pleasant news of groundwater being used to overcome some of the hardships of the residents of an arid part of Africa, but his enthusiasm for the almost instant irrigation of ground around a windmill needs to be tempered, for two reasons.

First, in semi-arid and arid regions recharge of ground water is usually limited or non-existent. It may therefore be, in part, a non-renewable resource.

The second point relates to water quality. Groundwater is usually free of disease-producing bacteria and other organisms, which makes it an ideal source for drinking water in Third World countries. However, it invariably contains dissolved mineral salts; when groundwater is applied to the soil surface, evaporation removes water and leaves the salts behind.

Over a few years the build-up of these salts can destroy the fertility of the soil, occasionally reaching such levels that the salts from the soil and carry them down to the water table, thereby increasing the salinity of the groundwater so that on the next cycle the situation worsens.

It may be that at Kaizer there are adequate reserves of groundwater with a low dissolved salt content, so that neither of these factors is a danger, but it would be unwise to advocate the widespread adoption of "accidental recharge" without checking carefully on local conditions.

Michael Price, Engineering Geology and Reservoir Rock Properties Research Group, British Geological Survey, Keyworth, Nottingham.

## NORTH/SOUTH

## The thought policemen

IN THE Third World, as well as in the First, there are institutions — too numerous to list — which are sometimes caricatures of the law and order agency they presume to be. A few caricatures of the regime they presume to oppose. One of the few is apparently Taiwan where, at a secret meeting not so long ago in the Officers' Club, the business was how to suppress the current rampant flood of illegal opinion.

Minutes of the meeting, attended by the island's top policemen and army leaders, and one culture supreme, appear in the next (May) issue of *Index on Censorship*, with accompanying notes — verging on the incredulous — from James Seymour, a research scholar at the East Asian Institute of Columbia University, New York.

Two magazines which tried to publish the leaked minutes of the meeting, *Far East* and *Dongbei Feng* were banned. They make intriguing reading.

The mind boggles on the unquestioning unanimity of thought of those present. "The methods raised by Garrison Command headquarters," says General Hsu Li-ming, head of the Political Warfare Office, "will achieve the aim of eliminating cultural pollution."

"Strict control and censorship," says Ho Shu-ching of the National Security Bureau, "must be thoroughly carried out."

No-one, it seems, dissents. The chairman, General Chen, Chief of the Taiwan Garrison Command, closes with the ritual thanks and urges his fellows to keep up the fight against "the enemy's conspiracy to wage intellectual warfare."

For those present who might forget their brief, and

Dear Reader,  
You can't tell all the news to your overseas friends on a postcard or letter so why not send them *The Guardian Weekly*.

It's a comprehensive newspaper that contains the best from the *Guardian* plus a selection from both *The Washington Post* and *Le Monde*. It'll keep your friends more in touch.

## ANNUAL SUBSCRIPTION RATES

AIR EDITION	
Europe	£28.00
Africa, Asia, North America	£29.00
Australia, New Zealand, South America, India, Malaysia, Indonesia	£30.00
South Africa, Far East, Pacific	£34.00
SURFACE EDITION	
United Kingdom, Eire	£25.00
Abroad (all countries except USA and Canada)	£27.50

To: Circulation Manager, The Guardian Weekly, 184 Deodar Road, Manchester M20 2RN

Please send The Guardian Weekly for 1 year by AirSurface to

Name \_\_\_\_\_

Address \_\_\_\_\_

Subscription ordered by \_\_\_\_\_

Address \_\_\_\_\_

Please enclose payment with order or fill in details below

Please debit my Account / Visa / American Express

Account No. / \_\_\_\_\_

Circulation's Signature \_\_\_\_\_



# The Bill Britain needs to reclaim parliament's hi-jacked powers

Tony Benn

MY ARGUMENT is a simple one: the House of Commons is now far too weak to do the job for which it was elected. It needs to be strengthened in its relation to the Executive by the passage of a new Reform Bill.

After nearly 35 years as an MP, and 11 years as a minister, my abiding impression is of the growing powerlessness of the House of Commons over key decisions. Political power is everywhere becoming more centralised, internationalised, authoritarian and secretive. The House of Commons is in real danger of becoming a decorative part of our constitution.

Some of the reasons for this stem from the unfinished business of 1945 and 1951. Others derive from the more recent encroachments of the Executive and its wide spread abuse of the prerogative of patronage. Perhaps the most important erosion of parliamentary democracy have developed as a result of the way in which Britain's relations with the United States and

the European Community have been allowed to develop.

One reason for the decline of the power of the Commons lies in the massive power of the prime minister, other ministers and civil servants to use — and abuse — crown prerogatives to govern us without having to seek parliamentary authority.

These powers include the massive powers of patronage which allow the Prime Minister to appoint ministers, bishops, judges, ambassadors, permanent secretaries, the chiefs of staff and of the security services, the chairman of the BBC and IBA and the nationalised industries; and also even to create Members of Parliament who sit in the House of Lords. At a lower scale, thousands and thousands of appointments are made to other public bodies, including quangos and health authorities.

In addition, the government can make war or peace, recognise foreign governments, sign treaties or ratify them and issue Orders-in-Council on a whole range of matters — by the use of the same prerogative.

No other democracy entrusts such powers to the Executive, and neither should we.

Another source of weakness derives from the way in which Parliament chose to surrender its ancient legislative supremacy to the institutions of the European Community, under the 1972 Act. If any Act of our Parliament, even though it has been passed by both Houses, and has received the Royal Assent, is found to conflict with the Brussels Commission or any rulings of the Community court, our legislation is null and void. British judges are both required and empowered, to enforce Community law, in British courts, and to rule that our own laws, even when passed by an elected House of Commons, are unlawful if they do so conflict.

An even more serious example of the impotence of the House of Commons is to be found in the arrangements under which foreign troops are based in Britain. There are said to be about 30,000 American soldiers in this country, situated in around 100 bases, and armed

with a formidable array of nuclear weapons.

The President of the United States is commander-in-chief of all US armed forces. His Presidential path precludes him from subordinating his powers or responsibilities over those forces, by any form of joint decision-making with any other government.

Contrast that with the safeguards against the danger of a standing army in Britain that we have insisted upon ever since 1688, under which the entire disciplinary code of our own armed forces actually expires, each year, unless the House of Commons explicitly renews it by passing the Army and Air Force annual order.

In the case of British forces, the Commons has real power; in the case of the Americans it has no power, no knowledge, no control of the use that might be made of those forces in peace or war.

The problem does not end there, for the House of Commons is only one of two Houses. The other has no democratic mandate at all, the House of Lords is entirely composed of those who have inherited their seats as

a result of some patronage conferred upon an ancestor, or who have been the recipients of the same patronage — favourites of the real monarch who resides at No. 10 Downing Street. This weak that same House, elected by nobody, and answerable to nobody, had the effrontery to deprive the people of London of their democratic right to have an elected council to govern their own city.

The only comfort that can be drawn from that event is the certainty that by that act the peers signed their own death warrant. For the powers of the House of Lords in terms of delay and obstruction, and its unfettered veto over statutory instruments, and any legislation designed to abolish it, would pose a serious threat to any government to which it was opposed.

There is one other aspect of our present constitution that merits attention: the supposed political impartiality of the judiciary, and its alleged separation from the influence of the executive. Last Monday I went, as an observer, to witness two so-called supergrass trials in

Belfast, one involving Loyalists and the other Republicans. The prisoners were held in custody, under the control of the Executive, headed by the Secretary of State for Northern Ireland. The judges had, of course, been appointed by the Lord Chancellor at his political discretion. The Attorney General had used his political discretion to decree that there would be no jury, thus leaving a single judge to reach his own verdict and pass whatever sentence he thought fit.

These mass trials — show trials they are — are taking place in the name of Parliamentary democracy. Yet, if the House of Commons were to seek to debate this matter it would be told that it cannot interfere, lest the independence of the judiciary and the legal system might be compromised.

To complete this picture of Parliamentary impotence, we have the Official Secrets Act under which Sarah Tisdall and Clive Ponting were both recently prosecuted. But it is not only civil servants who are affected, for the Act also draws the line between those MPs who are ministers and those who are not, leaving

all opposition members and all government back-benchers in statutory ignorance of what is going on.

What we have in Britain is a structure of power that many dictators would envy. The present situation constitutes a denial of some of the most important democratic rights of the electors.

There is an urgent need to bring these abuses to the attention of the public and to seek remedies which will correct them. We shall need a new Reform Bill to do it. Such a Bill would have to establish or re-establish the power of the Commons over all executive power, including prerogative and patronage powers, and extend to cover foreign and defence policy.

It would involve the repatriation of the powers of Parliament, now ceded to the Brussels Commission. In much the same way as the Canadians repatriated their Constitution from this Parliament a few years ago.

It would require the ending of the Lords, perhaps by using the very same words as are in the CEC abolition Bill for which the Lords voted on second reading:

namely that the House of Lords "shall cease to exist". And the delaying power, now exercised by the Lords, should be transferred to the electorate by shortening the maximum life of a Parliament to four years, from the present five.

It would also have to mean the ending of the Official Secrets Act, and its replacement by legislation that only protected genuine secrets, essential to the survival of the state, and the rights to privacy of individuals.

We are living through a time of great domestic upheaval and international tension. People are entitled to look to those whom they have elected to this place to do whatever we can to resolve these problems, and to see to it that we take the powers necessary for that purpose. I am a Parliamentarian who believes that the ballot box, debate and debate are better than the bomb for settling differences. At home or abroad. A weak House of Commons is a threat not only to democracy but to peace and good government.

Tony Benn is Labour MP for Chesterfield.

THE HEADS of the world's seven richest nations are meeting in Bonn. They do so at a time when most of the world remains in deep economic crisis, when millions are starving, when many countries are crushed by international debt and when the sluggish industrial economies of Europe still claim 20 million unemployed people.

The Summit Seven with their massive combined economic power should be bringing their plans for rescue and recovery. No Bonn. But they won't. This summit will be yet another cocktail party for the complacent to follow those at Versailles, Williamsburg and London.

This year that smug stoniness will be even less tolerable than usual.

The stimulus given to the world economy by the huge deficit in the US economy is tailing off. The reduction in that deficit will withdraw the main propellant of the modest recovery that has taken place. If the industrialised European economies including Britain, do not take up where the USA leaves off and accelerate growth by expanding budgets there will be another recession into deeper slump.

The Labour movement has been asking the British and other governments to face that fact for years. Now, at last, people like US Secretary of State Schultz, Federal Reserve Board chairman Volcker and Japanese Prime Minister Nakasone are prepared to take risks and workers price themselves into jobs.

It is a roulette strategy at the very least. This economy and the world needs planned and prudent use of resources. In addition it is self-defeating. The very policies which the Chancellor favours generate high unemployment. They consequently increase both the costs of the State by billions of pounds and dependence on the State by millions of people who would much prefer the independence which goes with having a job.

Baseling unions and cutting the pay of the lowest paid is simply no replacement for



much of the stumbling recovery in the British economy is a by-product of the American expansion and insists that the paralysis policies which he follows are the course to redemption. It is Lawson's special patent mixture of deceit and conceit. He dismisses the very policies which have at least delayed our economy and simply repeats his call for "regulation, privatisation, reducing the burden of the State, enlarging the role of the market, reducing the power of trade unions and (creating) a climate in which businessmen are prepared to take risks and workers price themselves into jobs."

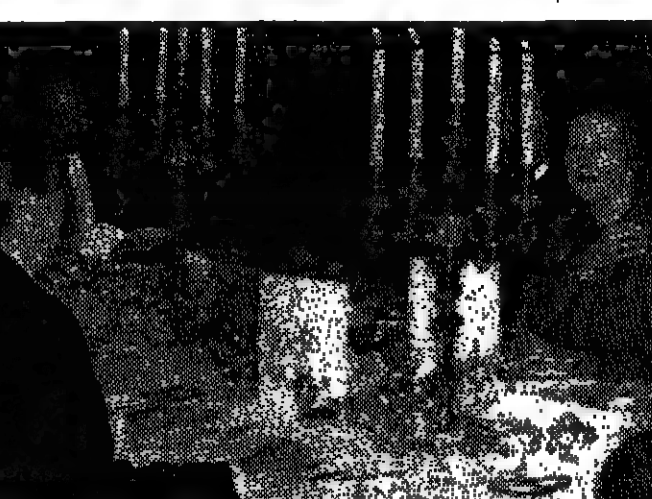
Baseling unions and cutting the pay of the lowest paid is simply no replacement for



increasing the budget for investment, construction, training and research. It simply means a low tech, low productivity economy in a high tech, cut-throat competition world.

NEIL KINNOCK

## A moveable feast for the world's rich



The party goes on in Bonn? Cancun 1981 (top left); Tokyo 1979 (top right); London 1984 (above)

The dollar will stay high. The US will continue to swallow world funds.

The interest rates in other industrial economies will be kept up in an attempt to staunch their capital outflows and stagnation or something near it will continue in those economies, while huge debt repayment obligations strangle the poor countries.

The prospect is terrible. But if there is no sudden change in minds and hearts

in Bonn the miserable shambles of unemployment and poverty, waste and instability will go on.

Faced with that the Summit powers should focus on: The reform of the international financial system to promote world trade and encourage exchange rate stability.

Coordinated expansion — especially amongst the industrial countries — through the stimulus of government spending with



a heavy emphasis on investment. Increased aid to Third World projects — the rescheduling and — in some cases — the cancellation of debt. The setting up of a system for stabilising raw material prices to produce tolerable incomes for producers without stoking inflation for consumers. All of those changes are within the power of the governments represented at

Bonn. And just as many of their predecessors who met at Bretton Woods in 1944 had the searing experience of doing nothing to push them into international co-operation for rebuilding and sustained recovery so the leaders of 1985 should act together now.

The quotas of the International Monetary Fund, were worth one sixth of the value of world trade when the system was established in 1944. Those quotas are worth one twentieth of world trade now and the IMF has been reduced from being an institution capable of promoting international development to a cross between financial post and debt collector beholden to American monetary aid and political convenience. It is essential that today's leaders change that system and restore the original purpose and potential of the IMF and its agencies.

If, by way of international reform, they merely settle in Bonn for some slight adjustments in the General Agreement on Tariffs and Trade they will have dodged their responsibilities on a planetary scale. Unless they soon shake changes that will systematically stimulate demand and employment than the formal and informal trade

barriers, the gyrations in exchange rates and the slow-down in the US economy will further depress all sales and all countries as the world goes on suffering the chaos of financial floods and droughts and commodity surpluses and shortages.

The most pitiful victims of the cowardice and conservatism of the rich are, of course, the poor. This time last year Mrs Thatcher was proving her unequalled ability to add pious insult to poisonous injury by telling the debt-ridden starving nations that "it is no earthly good helping a person to go on in the same way that has led them into trouble. You have to be prepared to help them if they will pursue policies which will get them out of trouble."

This week we can expect similar advice to the shoeless to pull themselves up by their bootstraps. It is certainly in keeping with her government's record of a 17 per cent cut back in aid programmes in the last five years. It combines brutality with banality, for the reduction in support to the poor not only compounds their tragedy, it also deepens our slump.

As the poor have to use any earnings to repay financiers, so they cannot strengthen their own economies or buy the produce of the industrial countries. Poverty begets poverty, slump begets slump. Only the collective power of the richest governments can really change those conditions. Commercial institutions have neither the means nor the will to act on the scale or at the pace which is needed, and their commitment in any case, to the beggar-my-neighbour market system which produces the distortions, instability and injustice of the world economy.

Morality and clinical self-interest should show the leaders of the richest democracies into the alternative direction of co-ordinated better-my-neighbour policies. It truly is the only way to better themselves.

Neil Kinnock is Leader of the Opposition and Labour MP for Ilkeston.

## Why growth is the key to defending the undefended

Peter Walker

IAN Macleod believed that the search for equality was the seeking of equality of opportunity. He said that he wanted to see that all men had an equal chance to succeed. He recognised in the best traditions of our party that one of the prime purposes of a successful economy was not just to reward the successful but to ensure a decent and tolerable standard of living to those who were handicapped, the elderly, the not so bright, to create a society free from divisiveness.

The most fundamental of all moral obligations is the obligation to guarantee to even the humblest the means to live and enjoy a decent life. In my vision of society that is an ethical postulate inherent in the very fact of society.

Iain Macleod once said: "The Tory Party is and must always remain the natural spokesman for those who are 'undefended'." The keynote of our approach must be individual freedom, but recognising that real individual freedom comes when all of our people are in a position to take advantage of it.

Freedom under the law is not enough. We must seek far wider freedoms. Freedom to participate in industrial decisions which affect our lives; freedom to take advantage of educational opportunities. The unfettered market economy is only a partial view of freedom. The market economy is a mechanism for consumers and providing the market mechanism is working, it gives consumers a wider freedom of choice, an important and essential advantage. But people are more than just consumers. They are workers, householders, students.

We should, when thinking

of the future we wish to create, include freedom from humiliation and the restraints of poverty, freedom from unfair discrimination, freedom from the debilitating effect of slum housing, freedom to have a concern for the quality of life so that progress is measured not just in GNP or motorcars but new parks, leisure centres, trade endeavours, the joy of living.

To achieve all of this we need to attain a new commercial greatness. To do this we must seek a free enterprise economy which recognises the reality of world trade, that seeks industrial and commercial opportunity and endeavours to see that all of those who work in our commercial activities feel a sense of participation both in the decisions and in the rewards.

Nationalisation has failed to achieve that objective. My first days in politics were at a time when a Labour government, with a vast majority, genuinely thought that nationalisation would bring a new Utopia to the working class. But in reality it has done nothing to emancipate the working classes.

It is only economic growth that will create job opportunities, pay for rising living standards and enable us to tackle our social problems. We must not stifle our economic recovery with unnecessary restrictions about our economic growth. The consequence of sustained low growth would be grave: growing unemployment, higher taxation and an inability to look after those in need. We must find the dynamism to kick the economy into a higher growth gear.

Our industry must be persuaded to invest their cash mountains and the multi-nationalists must be persuaded that Britain is the country in which investment should be made for those wishing to take full advantage of the

opportunities within the European Community. If we are to achieve sustained growth there are a number of fundamental problems that must be tackled.

Since the collapse of Bretton Woods' system of fixed but periodically adjustable parities, exchange rate instability has been greater than in any other period of recorded history. A free enterprise system will not be able to survive in such a climate. Profits of major companies are no longer a reflection upon their efficiency and managerial skills but are a reflection upon movements in the exchange rate.

Exchange rates, in turn, are dictated by manipulating substantial volumes of currency at the margins of the total market. If the Western world allows the system to continue massive managerial resources will be involved in exchange rate hedging and organising matching obligations. The economic effect will be to fragment production and resource sourcing with autonomous segments in each currency area.

To obtain growth we must obtain the right relationship between pay and investment and productivity. An inflationary wage round, unlike productivity, would do immense damage to Britain's economic opportunity. It is the duty of our major industries to illustrate to the trade union movement the linkage between high investment and sensible pay settlements.

Nor is it asking trade unions to make any sacrifice. A study of post-war wage attitudes of trade unions will show that the period in which their members enjoyed not only full employment but fast rising standards of living was that long

period when, under moderate trade union leadership, there was far closer association between productivity and wage increases. It was only when a number of our biggest unions were taken over by more militant leadership that we entered the phase of the massive wage claim, steep inflation, the loss of jobs and the falling of living standards.

Another major problem with which we have to grapple and succeed is the restoration of an era in which the words "British made" equate with a high level of quality. Jaguar cars are a perfect example of where this has been achieved.

Trade has increasingly taken on the features of a product life cycle with new innovations and technologies developed in the advanced countries, rapidly becoming commodities produced in the newly industrialised countries. Britain has, to an increasing and disturbing degree, been left out of this process.

Over the next 15 years certain technologies will almost certainly transform the nature of production in most industries. Information technologies will increasingly transform the nature of many products and their mode of production. New materials will develop to replace the steels, plastics and textiles currently in use and new glues and bonding processes will transform fabrication. Biotechnologies may radically change the nature of chemical production.

Japan has been tremendously successful in identifying the changes in technology that have recently occurred and in promoting an environment which is favourable to their rapid adoption. The government needs to learn from the Japanese that it has an important role in steering the development of priorities, in

providing a safety net for those affected by change and in improving the educational and training sources available.

For our free enterprise system to be successful we must have a capital owning democracy. This was one of the most active pursuits of Iain Macleod. We must eradicate the system where one third of our nation are the permanent tenants of the State, we must have a nation where virtually everyone owns their own home.

The British Telecom sale achieved a mass of our population becoming shareholders for the first time. We must look upon that as the start of a major thrust forward in wider share ownership. We need to give people the opportunity of developing and applying their full abilities and, I sincerely hope, their capital.

A substantial reduction in unemployment can and must be achieved. It is worth studying the experience of the Thirties.

Between 1931-37 unemployment was halved falling from 22.1 per cent to 10.8 per cent. The number out of work was reduced by 13 million in those years. Moreover during that period the working population increased by one million, hence 24 million jobs were created. This in my view shows that substantial falls in unemployment can take place over five or six years. Part of the fall in the Thirties was due to rearmament, but that was only in the latter years and would have contributed less than one third of what was achieved. Substantial improvements were made by the massive advance in house building. New housing completions rose from 214,000 to 364,000.

Surely the Conservative Party can look at the potential of improving our housing stock and provide multi-

vation for workers to improve their productivity and create a better environment and standard of living for many of our families.

The most recent general survey of the condition of the housing stock in Britain showed some 1.1 million dwellings were in poor condition. We must eradicate the system where one million required repairs costing more than £7,000. A third of our present housing stock was built before 1914.

Over the last 15 years there has been a remarkable change in the balance of world markets. Europe has declined from a 39 per cent share of world trade in 1970 to 32 per cent today. World trade for Asia has been growing nearly twice as fast as world trade as a whole and is now approaching 16 per cent.

The nine main countries of the Pacific basin have had growth rates averaging well over 6 per cent per annum. Yet it is in this growth area that the average rate of growth of British exports has fallen far behind that of our competitors.

If patterns over the past 15 years are continued and we do not show more clout in our trading, the countries like Vietnam, Thailand and Taiwan will overtake us in terms of GDP per head long before the end of this century.

We must fully exploit our unique position as the most energy-oriented country in the European Community. Britain alone of major manufacturing countries is a net exporter of energy. The vast exploration of the North Sea has decades of progress and investment yet to come. Our technical skills in offshore technology present an international market of gigantic proportions.

Our skills in the sphere of coal-mining machinery are

going to be required upon a world-wide basis and we have reserves of coal at home that can give an immense strength to our balance of payments in gas and electricity distribution. We are one of the world's leaders in the nuclear sphere and we have both a safety record and a scientific reputation as high as in any nation.

For those of us with a deep desire for faster growth, the European Community must present us with the most fundamental opportunity. With Spain and Portugal joining the Community, the European community will have a population 40 per cent higher than that of the United States, but also a gross domestic product 15 per cent lower. There can be no reason why Europe cannot catch up and surpass the performance of North America.

To date the development of the Community has been a story of unfulfilled promise. We must now all set about the task of making it the largest and most successful economic block in the world.

It may be that we are at a watershed in history where the baton will be passed from the United States or, at least, shared by the United States with Europe as the greatest influence in the Western world.

It is my belief that the Conservative Party can create a nation more enterprising and effective. It can, through its economic success, eradicate the poverty and hardship that still exists both at home and abroad. It can make this nation admired for its success instead of ridiculed for its failure.

Peter Walker, Conservative MP for Worcester, is Secretary of State for Energy. His article is an edited text of his Iain Macleod Lecture given last night to the Cambridge Union.

## In-House Briefing

TWO great issues which split the Tory Party at the turn of the century — beer and free trade — are on the agenda next week in the Commons.

The tricky decision by the Trade and Industry Secretary, Mr Norman Tebbit, whether to renew the Multi-Fibre Agreement is likely to generate cross-party controversy on Thursday.

Professor Aubrey Silverston advised the Department in December that the MFA, intended as a temporary measure in the Wilson Heath era, is against consumer interests because it keeps the price of imported textiles artificially high.

But protectionists ranging from the Labour party to Mr Nicholas Winterton, the Conservative MP for Macclesfield, wants the Multi-Fibre Agreement to be renegotiated.

In the middle, the traditional party of free traders, the Liberals who were joined by Winston Churchill on this issue, also have the delicate decision to make about their attitude towards protectionism through the MFA.

THE Tory Party is likely to take up its traditional stance by supporting the brewers with a ten minute rule Bill on Wednesday introduced by Tory MP Roger Gale to permit longer opening hours.

As ever, ranging against them will be the Methodists and their supporters, probably in the Labour and Liberal Parties in particular. While Mr Gale's private Bill, coming so late in the session, is unlikely to reach the Statute Book, it will be a taste of opinion in the Commons for promised legislation on this and Sunday trading.

Colin Brown



# CHRISTOPHER BOOKER

on the state of cricket:  
 "For the first time in the history of the game, if there was a World XI picked to play Mars, it is highly dubious whether any Englishman or Australian would deserve a place... In fact there is a good argument that the best current World XI might all be West Indians, since it seems generally accepted that Clive Lloyd's side of last year, so strong in all departments, ranks among the two or three greatest teams ever to play."

# GAVIN STAMP

on Mansion House Square:  
 "If the Government can endorse a scheme which will replace a network of City streets by a barren open space and a 19-storey tower designed by the late Miles van der Robe, the 99-year-old German modernist, then clearly it is minded to give planning permission to almost anything."

# DUNCAN FALLOWELL

on sex:  
 "The corruption of innocence, morally reprehensible in our society, is nonetheless a most necessary task if life is to continue..."

IN THIS WEEK'S  
**SPECTATOR**  
 75p AT YOUR  
 NEWSAGENT

"The most entertaining and best-written weekly in the English language."  
**GRAHAM GREENE**



PIES GALORE: Gillian Hanna and Leon Greene in Sweeney Todd and (right) Joanna McCullum as Jane Marryot in Cavalcade. Pictures by Douglas Jeffery

Nicholas de Jongh reviews Sweeney Todd at the New Half Moon and Michael Billington reviews Cavalcade at Chichester

## Carving up old England

THEY CALL Stephen Sondheim's musical a melodrama or thriller. But his demon barber of Fleet Street, whose late Victorian victims end up as meat pies, with blood and unspeakable portions clogging the sewers, is no more extreme than our recent mass murder of north London, Dennis Nilson.

And Christopher Bond's revival of Sondheim, with his own original adaptation of the story, is right to take the moral force and fury of the narrative as seriously as Sondheim takes and makes his music.

At the New Half Moon, which emerges rough and unready as a fan-shaped auditorium and a small triangular stage within a square interior, the revival is a sombre, passionate rendition of Victorian low life.

Ellen Cairns's design has cut-out facades of doorways, cat-walks and windows, a central platform for Sweeney's slaughter shop,

and a ground level with sliding-doors which lead to the glowing fires "where humans fry". But Bond, having cast most of the production in fur, half light, hardly ever allows the production merely to teeter into the straits of ghouliness and hollow laughter. He shows a city and people individually obsessed, with any sense of justice gone missing.

Sweeney, who seeks vengeance for the judge's abduction of wife and daughter after 15 years' hard labour, is in Leon Greene's thrilling performance, a man reduced to a single longing.

But there is no prevailing consistency of tone. Although Bernard Martin's Judge and Andrew Schofield's Tobias, who goes white-haired and mad in the sewers, contribute to the musical's chilling furies, Gillian Hanna's Mrs Lovett goes over the top within the first five minutes.

Yet Sondheim's music, played by a band of five on

instruments ranging from flugelhorn to soprano saxophone, beautifully matches and complements text and action.

Nicholas de Jongh

NOEL COWARD'S Cavalcade, which launches the Chichester Festival season in spectacular style, is a 1931 Drury Lane pageant-play that has had influence disproportionate to its quality.

It pre-figures formally Upstairs Downstairs, Forty Years On, Oh! What a Lovely War, The Hired Man, and many more. The odd thing is that it is a seminal English play despite the fact that few people have seen it and that the writing rarely shows Coward at his best.

What it does have is a consistent vision of England: basically a wistful lament for the crush-up of the old order and a distant both for private hedonism and social progress.

Starting at the dawn of

the century and ending in 1930, it interweaves massive public events with the private lives of the Maryots and the Bridges.

The former are an upper-crust family who lose their male offspring to the Titanic and the trenches; the latter are their downstairs servants who break free to run a London pub.

Coward shows the breakdown of the class structure through the affair between the stiff-lipped Joe Maryot and the showgirl Fanny Bridges; and his vision of a disintegrating England is compounded by his climactic song, "Twentieth Century Blues", with its image of "chaos and confusion".

Coward was entitled to his conservative views: the problem is the dramatic scenes are little more than sketches between the spectacular numbers (even the famous honeymoon scene aboard the Titanic now seems replete with heavy prophetic irony).

Michael Billington

What you cannot deny is Coward's instinct for theatrical effect, and here David Gilmore's fine production not merely rises to the occasion but actually improves upon it.

The one thing I find odd is his rearrangement of Coward's climax. Twentieth Century Blues and a vision of Jazz Age chaos, pierced by the National Anthem.

That aside, the evening is a triumph of style over content. Although there is little scope for individual acting, Joanna McCullum as the insufferable, patronising Mrs Maryot, Lewis Flander as her decent stick of a husband, and Shirley Stelfox as a doom-laden proletarian make their mark.

Roger Glossop's designs and Colin Sell's musical direction, with its poignant use of brass bands, also make vital contributions.

Michael Billington

These reviews appeared in later editions yesterday.

## End of a dynasty

Hugh Canning pays tribute to Bridget d'Oyly Carte who died yesterday

THE DEATH OF Dame Bridget d'Oyly Carte yesterday, at her Buckinghamshire home aged 77, brings to an end the dynasty of theatrical impresarios and hoteliers whose name became inextricably linked with those of W S Gilbert and Sir Arthur Sullivan and their "Savoy" operas.

Her grandfather Richard founded D'Oyly Carte Opera Company, then known as the Comedy Opera Company, in 1875, following the success of the first Gilbert and Sullivan collaboration, the one-act Trial by Jury, the previous year.

Over the succeeding seventeen years he guided the often thorny relationship between the composer and his

librettist, acting as go-between towards the creation of eleven operas. Five have become immortal international favourites, establishing a core repertory for the opera company.

Dame Bridget entered the family business in 1933 as assistant to her father Rupert and assumed complete control over the opera company when he died in 1948. Though in later years she improved herself immensely with the running of the Savoy, taking a leading role in the interior decoration of the theatre, she was an active trustee and made a point of never missing D'Oyly Carte first

nights in New York, where the company's following was, if anything, stronger than in London.

D'Oyly Carte performances survived on the company directors' business acumen for over 100 years, but towards the end of the sixties, the costs of maintaining the ensemble at full strength led them to approach the Arts Council for a small contribution towards running costs.

Dame Bridget was highly critical of the Council's negative response and the company's financial difficulties were recalled a promised financial aid in 1975 when the company really was in trouble.

Dame Bridget was created a Dame in 1977.

**RSC**  
 1960 1985  
 Royal Shakespeare Company

**THREE REASONS TO VISIT STRATFORD-UPON-AVON...NOW!**

ROYAL SHAKESPEARE THEATRE

**THE MERRY WIVES OF WINDSOR**  
 "Great Shakes" on Sunday  
 "A great night out" Times

**AS YOU LIKE IT**  
 "A magical production" Telegraph  
 "Inventive, magical and dotty" 5 Times

**THE OTHER PLACE**

**PHILISTINES**  
 Maxim Gorky's 'exquisitely gripping' black comedy.  
 Box office: 0789 295623.

**SOUTHAMPTON**  
 Alastair Macaulay

**Ballet**  
**Rambert.**

**TAUT**, electric, urgent, Dangerous Liaisons, a new work for six dancers, is recognisably by Richard Alston. Ballet Rambert's resident choreographer—and yet like nothing else he has made. At once it belongs up there with his finest.

The whole nature of Alston's movement phrases—in which dancers accentuate the vertical balance, then, in falling away from it, acquire a horizontal impetus like a wave breaking, and then scoop up into the vertical emphasis again—thus becomes charged with tension and peril. How oddly and rightly this matches Simon Waters' electronic score, made from twangs, ticks, clangs and boings.

Alston's musicality is uncanny. Taking this apparent non-music, he shows its rhythms, pressures and textures—shows it as music, in fact. And all so concentrated.

The work's expressive force is thrilling, the variety of its incidents startling. Threesomes meet in classical tableaux as if in quest of unity, in need of collectedness, only to be shattered by the forces of the dance. And yet these dancers aren't passive, they are themselves the forces of constant mutation.

There are countless echoes of older classical traditions from Blais to Cunningham. But they're old pieces in a new mosaic. Although the scene is fraught and confused, the piece is not about anarchy or disintegration. In an image that's repeated to powerful deep twangs in the score, all six dancers arrive in unison fifth position, plunging together into this vertical pose, suddenly becoming sentries out of the disorder.

The work's urgency of

noise and dance seem not chaotic but—against the uncompassionate forces of chance and emptiness—wonderful. As Alston's dancers stretch themselves into those upward-facing and backbent poses that will in a moment be lost again, they seem heroic. And in this remote, transient universe, the workings of humanity seem urgently civilized.

The four women and two men reveal the work's vividness, commitment and precision. Richard Smith's lovely lights make them look like Picasso acrobats in space, an impression accentuated by Peter Mumford's dramatic lighting and the black backdrop.

**TAUNTON**  
 Allen Saddler

## Deadlock

DEADLOCK is an adaptation, by Leslie Sands, of Zola's novel, *Thérèse Raquin*. It is a melodramatic tale of sexual passion driving lovers into murder. The story rests on just taking over from reason; but little of this powerful theme comes through in this production from the newly formed touring Lyceum production.

It may well be that real life melodrama leaves the participants stunned, with only small change conversation to cover depth of feeling. But the exchanges need to be understood, with emotion. This set of characters rarely rise above sullen despair.

The opening scenes did not establish the idea of sheer animal attraction being strong enough to risk the necks of the two lovers.

Hildegard Neil's embraces were hardly unrestrained and Jack Carr's wooing was equally casual. They improved when, racked with guilt and remorse, they bickered in bitter recriminations; but even this scene only had the force of a domestic quarrel.

Hazel Douglas fared little better in the plum part of the mother of the murdered man, who is robbed of speech and movement on overhearing the truth. The actors seemed to be treading treacle in a play where full-blooded acting might have brought on a fit of these giggles.

On the other hand realism is hardly enough for just a grim moral tale.

Nicholas Smith, put in an appearance as the ex-policeman, who smells a rat, but over his solid presence could not prevent the play sinking slowly, drowning all aboard.

**PRIVATE FUNCTION**  
 "the best comedy in years" Daily Express

**BRITISH ACADEMY AWARDS**  
 BEST ACTRESS  
 BEST SUPPORTING ACTOR  
 BEST SUPPORTING ACTRESS

**MICHAEL PALIN MAGGIE SMITH DEN HOLM ELLIOTT**

**NOW SHOWING**  
 CINECENTA, Pantons St. ODEON Kensington. CORONET Notting Hill  
 ODEON Aberdeen. ODEON Coventry. ODEON Edinburgh  
 ODEON Glasgow. ODEON Hove. ODEON Leicester  
 ABC Mansfield. STUDIO Bristol. STUDIO Manchester  
 CLASSIC Quilston. CLASSIC Rotherham. CLASSIC Tonton  
 CINEMA Alnham. MECCA Cleethorpe. PICTURE HOUSE Douglas (I.O.M.)  
 ALLAN Park Stirling. LA SCALA Inverness. PLAYHOUSE Perth  
 UNIT Wexley. GAIETY Bristol. ROYAL SPA Buxton  
 ASTRA Rhyd. ASTRA Colwyn Bay. PRIORY Royston  
 PHOENIX Spilby. SCREEN Falmouth.

ALL DETAILS CORRECT AT TIME OF GOING TO PRESS

**THE SEAGULL**  
 By Anton Chekhov

**"ELECTRIFYING SUBTLETY... DELICIOUS SURENESS OF TOUCH"**  
 Time Out

**"REFRESHINGLY ALERT"**  
 Guardian

**SAMANTHA EGGER "NEVER A FINER FIGURE GRACED THE ROLE"**  
 Daily Mail

**"JOHN HURT'S TRIGORIN IS THE BEST THING I HAVE SEEN HIM DO"**  
 Guardian

**NATASHA RICHARDSON "OUTSTANDING"**  
 Time Out

**Lyric Theatre** BOX OFFICE  
 King Street, Hammersmith, W6  
 01-741 2311

**WELCOME TO THE COTTON CLUB.**  
 Where crime is the rub elbows with the rich and famous. Where deals are made, lives are traded.  
 And the legends of jazz light up the night.

**"SUPERSTAR RICHARD GERE"**

**THE COTTON CLUB**

**NOW SHOWING**  
**ODEON LEICESTER SQ.** 930 8111.  
 SERVICE PERFORMS DAILY DOORS OPEN 1.15, 4.15, 7.45, 10.15. LAST SEAT 10.15. DOORS OPEN 11.15.

**MAJOR PROVINCIAL THEATRES FROM MAY 10**

Seeing things he shouldn't see.  
 Feeling things he shouldn't feel.  
 Knowing things he shouldn't know.  
 Don't let it be.

**Bay Boy**

**CLASSIC HAYMARKET** **CLASSIC CHELSEA** **ODEON KENSINGTON**

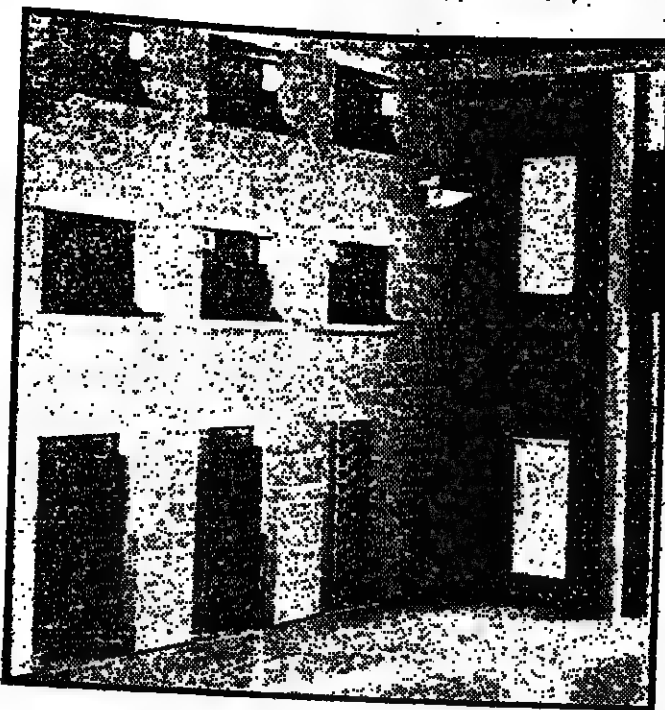
U. Weatherby on  
 highway musical  
 but is too big for it  
 with boots

**Dadoo**  
**Wrong**  
**Wrong**

Old 7  
 by Harry  
 Davis  
 is thrilling to  
 quality in the  
 EXTRAORDIN  
 quality in the  
 Extraordinary  
 quality in the  
 Extraordinary

1520 من المرحل

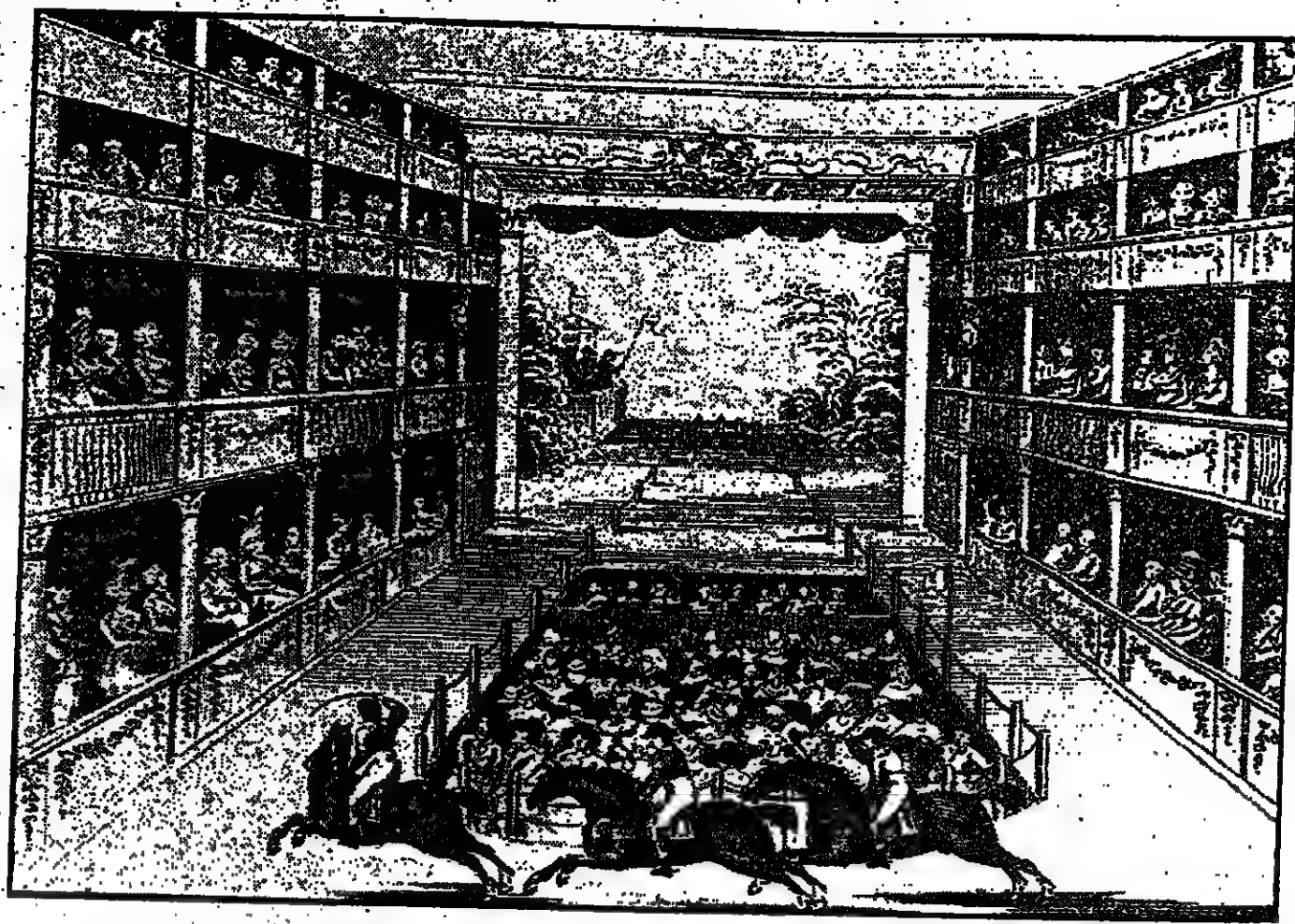




Street corner of the New Half Moon Theatre, left: Diana Manners (Duff-Cooper) as the Virgin, above, and pony races at a Theatre Royal-cum-Hippodrome in the 18th century.

Tom Sutcliffe reflects on the shape of things to come in theatre design

# Old miracles of the space-age auditorium



WHAT is the best shape for a theatre? Is there any such ideal? The argument gets an extra push this month with the opening of the New Half Moon down the Mile End Road and the reopening (albeit temporary) of the Lyceum just off the Strand, closed as a theatrical venue since John Gielgud's *Hamlet* there in summer, 1939, and used ever since as a gloriously kitsch and seedy palais de danse and rock concert venue.

It is 208 years since the first Lyceum theatre was built at the river end of Bow Street, down from the Royal Opera House and Drury Lane. Madame Tussaud's waxworks opened there in 1802, when the site was more used for circuses and lectures than for the higher drama of Keats, Keble, Grimaldi, Henry Irving, Duse, Bernhard, Diaghilev, and Chablisin who later adorned it.

The present 1904 building by Bertie Crewe, is a monument to Edwardian plush, with plump cupids clinging to the fronts of the boxes, their arms snapped off when the lamps they formerly held were done away with. The gallery is striped of its benches and filly. The dress

circle bar is now a Mecca-baroque ladies' boudoir.

Ironically, the Lyceum is getting its new lease of theatrical life precisely because the stalls have been converted, as wartime Covent Garden was, into a dance floor. Indeed, the Palm Court decoration that masked the golden Royal Opera proscenium then can be seen against the walls of the Lyceum stage today.

When Peter Hall sprang his Cottesloe closure on a distressed nation, Ian Mackintosh of Theatre Projects who suggested to Denis Lasdun the courtyard Georgian theatre structure of the Cottesloe was already looking everywhere for a venue where its most successful show could transfer.

This is Bill Bryden's production of Tony Harrison's medieval *Mysteries*, a promenade show. Mackintosh remembers the shocked "phone-call by which he learnt how the Passion was affecting the Cottesloe. 'Do you know what they've done to your theatre now? They've taken out all the seats.' His caller didn't know that he would be absolutely delighted. 'The reason I like Georgian

theatres," he says, "is that they were community halls as well as theatres. Now that we've escaped from the prosa-cenium arch, we can look back and admire buildings with large forestages that could be used just as well for pony races and circuses as for plays."

Fixed seating, as he points out, is a comparatively late 19th-century innovation. In the days before pensions, old actors on their benefit nights used to pad out the capacity with rows of benches on the back of the stage, indeed one very fat thespian, Quinn, sold so much stage seating that he couldn't in his Falstaff enlargement, squeeze on from the wings himself.

Bryden's promenade *Mysteries* are that kind of theatre. At the last judgment, the wrong side of Christ found themselves being dragged off to the everlasting fires. Mackintosh needed to find a hall with a capacity of 1,000: in Edinburgh Bryden's production had demonstrated it could speak to that number, three times the Cottesloe capacity. But it's a large number to find in a fringe-type, unconventional venue. The New Half Moon holds a

maximum of 400. The Wide Theatre, at Bracknell, a demonstration of the courtyard principle which Theatre Projects and Mackintosh have been developing through the Cottesloe and the Tricycle Theatre, Kilburn, as well as a number of school theatres, holds only 330.

Mackintosh is a manie theatre buff. He knew that the transformation was nothing new for the Lyceum. In 1932 Reinhardt created a medieval cathedral for his *Miracle* in which the soon to be Lady Diana Duff-Cooper portrayed the Virgin Mary.

He also discovered that the theatre was the scene of the first ever promenade concert in 1839. The solution was to treat the Lyceum as if it were a courtyard, and incorporate seating round the balcony floor with the dress circle and boxes.

"We are rediscovering a great part of theatre history buried away in the centre of London, and exploiting Mecca's people's palaces with its bars filling the back of the stalls. (The bars will stay simply lumped in with the rest of the theatre throughout performance.)"

If you read Richard and Helen Leacock's survey of theatre building, Theatre and

Playhouse (Methuen, £6.95), you quickly discover how theatre, like every other kind of culture in the last 100 years, has tried to incorporate every system and every solution from the most and the most distant, but the dominant issue is social context, and social objective. Mackintosh says that television has made the distant theatrical figure unacceptable.

The ideal size may be something like the Wyndham's Theatre, with the central space across which the performer must work his magic, no greater than a variable cube of about 30 feet. If there's a problem at the Olivier Theatre, it's because its space is too vast.

The ability to register is what matters for the performer. Perhaps television has an even more insidious effect, he, relieving today's actors of any acute and/or sheer vocal projection. But in small theatres you don't need much voice.

Atmosphere, which is in part an aspect of decor, is harder to pin down. The Wide Theatre is dominated by the interlarded pipes of its air conditioning, where Edwardian aesthetics would have dictated a chandelier.

As at the Cottesloe one remembers metal pipes at the front of the gallery seating and blank walls.

The New Half Moon, before its temporary seating ramps and stage were set up for the opening production this week of Sweeney Todd, felt like a cross between a classical church and a vacant warehouse.

"The idea," says its designer, Florian Beigel, a German architecture teacher at the North London Poly, "is that we have made a scenic street - theatre in the street with a roof over it." When you look again at the windows with their naked concrete lintels piercing the two long concrete-block walls of the rectangular box-shaped space, you get the idea.

There are street-lamps "stuck to the wall at second floor level, and behind the windows are lower and upper corridors from which one can overlook the performances. The short walls are made of ribbed metal, cutting off the section of the 'street' the south-facing and containing five windows and allowing a fair amount of natural light. In the centre of each wall are double doors. The doors in the long walls are two storeys high. The ceiling lights are

intended to refer to stars.

There is no stage; the lighting is all fixed on a mobile metal raft so that the focus can be moved anywhere in the space. Similarly there's no fixed seating. The brief was for maximum flexibility within a sturdy, intended cross between a classical church and a vacant warehouse that it's not as flexible as it seems.

"We wanted a space which gives a little experience, so that the audience can be objective and step back from the intensity of the performance."

Beigel says that the New Half Moon, whose building (without theatre equipment) cost £280,000, is as well equipped as the Cottesloe.

If there's a problem in designing theatres of defining the best relationship between actor and audience and the contact of the audience with itself, it's a problem which Beigel's hall refuses to face. In effect, every time the seats are realigned the problem will be reconsidered.

Looking back at the New Half Moon from further down the news site with the loose brick harks of Mile End Road housing all around, one might almost be seeing a high-roofed temple. The great metal doors have a kind of rhetorical majesty. When new, a purpose-built theatre seems to evoke religious resonances, perhaps the dramatic art has come full circle.

Postscript: When the *Mysteries* complete their extraordinary 12-week run at the Lyceum, Mecca will commence their total refurbishment of the building. Peter Hall's *Hamlet* has the latest building have demanded that they restore the building fully to its former magnificence, and when that is done Mecca will get a 125-year lease to use the building as a people's place for dancing and popular culture. Preserved in aspic.

Barbara Yeager and Annie Golden in *Leader Of The Pack*



W. J. Weatherby on a Broadway musical that is too big for its 1960s boots

## Da doo wrong wrong...

WITH DREAMGIRLS in its last weeks, the replacement has yet been found and so strong new contemporary musical has so far eluded Broadway this season. Frail multi-million dollar productions with more ambition than art have come and quickly departed, and even some more robustly entertaining shows which might have survived off-Broadway in a smaller Village theatre have gone the same way.

The latest new musical is *Leader Of The Pack*. It began as a revue at the small Bottom Line Cabaret Theatre in the Village and should have stayed downtown. Putting on some fat and growing into a 90-minute non-stop feast of early sixties pop songs, it is alleged to be a Broadway-recession days that means an entertainment able to appeal to all-comers from suburbia and thus with a chance of surviving rough

critical assessments from the New York media. *Leader Of The Pack* does not have wide appeal, and it certainly received decidedly mixed reviews which make a long Broadway life unlikely. Its subject, the life and music of Ellie Greenwich, one of the reigning monarchs of pop in the early sixties, has plenty of songs worth rediscovering, but lacks that essential ingredient of all successful Broadway musicals, a strong book or story line on which to hang all the music and dancing.

It depends on the old American Show business cliché plot - local girl makes good and then success begins to turn bad - but there are no original variations as there were in *Dreamgirls*, for example, and what there is hasn't been developed very deeply.

So the show has to fall back on its songs, with those innocent pre-Vietnam lyrics that

often had delightful, nonsensical, wordplays reminiscent of the twenties, including "Da Doo Ron Ron" and "Do Wah Diddy." A gaudy, colourful production includes some remarkable singers and dancers, but above all there is Darleen Love, who was back-up singer for Ellie Greenwich enterprises in the sixties, with such groups as the Crystals, the Blossoms and Bob B Soxx and the Bluejeans.

The high point comes with her singing of "River Deep Mountain High," which was written for her but is usually associated with Tina Turner, also enjoying a great comeback. Ms Love's rendition is more low key, more off-Broadway than Tina Turner's which is much more in current Broadway style.

The appearance of Ellie Greenwich herself is obviously intended as the climax, but it further underlines the personal intimacy of this alleged musical and would be very effective in a small Village theatre where intimacy can be appreciated.

Ms Greenwich should have refused to let her *Pack* travel beyond the boundaries of the Village, whose name she shares, until a much more ambitious musical like those other sixties hits, *Hair* and *Grease*, was developed from her life and work.

## Hard times, Act three

WHEN half the Arts Council Drama Panel resigned in February one main issue involved was a drastic 40 per cent drop in the commissioning of new plays over and above the impact caused by the depression of the Council's general subsidy level. Yet for nearly two years Arts Council officers have been resisting proposals from their advisory theatre writing sub-committee to stop the rot, which had already begun in 1981.

That year a new method was adopted to fund new writing. Previously theatre companies had put up half the money for each new play out of their own budget from the council on a play-by-play basis. In 1981 responsibility for new playwrighting was "devolved" to the companies themselves.

For the first transitional

year theatres put in estimates for their whole year's new play activity and received an annual, matching sum, from the council. Today, funds are not allocated separately but simply lumped in with the whole annual grant.

The result is that actual expenditure on new plays has been consistently lower than estimates. Not only that, but for 1984-85 even the estimates were lower than the previous year. The reality was a general squeeze on theatres' resources has meant that a large proportion of money originally intended for playwrights has been "creatively accounted" into other areas - the leaky roof, the rewiring, even no doubt the Chancellor's Vat.

Meanwhile the marginal improvement reflected during the seventies in playwright working conditions has been reversed. A survey completed

by the Theatre Writers Union in the second year of "devolution" showed that even playwrights like Roy Robinson - much-produced in the North and Midlands - need to write five plays a year (more than twice the average) in order to earn the £2,500-£3,000 expected for a mere 60 minutes on television.

David Rudkin and Steve Gooch, both of whom have more than 15 produced plays behind them including some with the RSC, have no better. Peter Flannery, another RSC-produced writer, was offered just £1,000 for a play in the north-west involving more than six months' work. David Cregan, whose earliest work was produced 20 years ago in the Royal Court, but who now works mainly for radio and was offered £700 as down payment with subsidised theatres.

Others, like Sheila Yeager and Nick Darke, another RSC and Royal Court playwright, simply acknowledge that the production line has stopped. Though Sheila did have a play optioned and produced in the south-west for a risible £750. Disliked and mistrusted by playwrights when it was first introduced, and a total failure in operation, the present system has now been opposed by not only the writers' unions but also the Theatre Managers Association. And last year the Drama Panel voted unanimously for a return to the system of "matching" funding.

There are many advantages to such a return. In the first place, theatre companies would have to commit themselves to a specific sum for new writing to which they could later be held. In the age of the computer, the extra accounting involved is hardly likely to cause many more headaches than the extra monitoring which is as far as Arts Council officers are prepared to go at present. Meanwhile, in a true spirit of democracy, they have fought their advisors' committees' proposals tooth-and-nail, in spite of the overwhelming support for them from the profession.

## Olw n Wymark on faults in funding new plays

Even another argument defeated, the officers now claim that the administrative cost of returning to the 1980/81 system would be prohibitive. Yet not only has it been operated before, but their own figures indicate a sum lost to new playwrighting equivalent to half-a-dozen annual salaries. Even one whole year's salary would be a small price to pay in order to preserve the vigour of British theatre and the international regard in which British playwrighting is held.

## BRIEFING

### THEATRE

THE Palace, Watford, offers Bernard Farrell's *I Do Not Like Thee Dr Fell*, a new Irish comedy about a group therapy session, featuring Mike Grady. Euripides' *Medea* arrives at the Almeida from the Leicester Haymarket Studio in a Nancy Meckler production. Brighton Festival gets under way with performances linked by the idea of the Leicester Haymarket. The company in Ubu and the Clowns at the Gardner Centre, and the Czech Theatre on a string at the Sallis Benney Theatre. The Soho Poly stages Melissa Murray's *Coming Apart*, winner of the 1984 Verity Barge Award, directed by Sue Dunderdale and featuring John Normington.

### Recommended

Marlene Gytellon: Tuesday to Thursday; Peter Hall's exact production of Jean-Jacques Bernard's *Hardyboogie*, the story of a ruined country girl; Wendy Morgan very good as the inarticulate heroine. Old Times (Haymarket): Pinter power-games amongst in erotic threesome; Michael Gambon and Liv Ullmann battle it out while Nicola Pagett smiles secretly. Michael Billington

### OPERA

Bevenuto Cellini kicks off the Brighton Festival (at the dome tonight, Monday, Wednesday) with New Sussex Opera in sharp profile. Bryan Balkin conducts, and the new production is by Peter Ebert. David Johnston takes the title role on stage for the first time, and the cast also includes Dennis Wicks, Anne Mason, Louise Kennedy, in Arthur Jacobs' English. Orlando (Glasgow Wednesday, tomorrow week) the latest of many Handels marking the tercentenary. Scottish Opera have Christopher Fettes producing opera for the first

### time, with designs by Antony McDonald, choreography by Ian Spink. James Bowman takes the title role, Lillian Watson, Timothy Wilson and Stephen Varcoe in support, conducted by Richard Hickox.

The Emperor of Atlantis (Imperial War Museum Tuesday, Wednesday, Thursday) is a suitably evocative way of marking V2-day. Viktor Ullmann and Peter Klein's one act chamber opera was written in 1943 in Theresienstadt but not premiered until 1977 at the Holland Festival. Not only was the show banned, but its perpetrators were "disposed of" in



James Cairns - Coliseum

Auschwitz, Michael Granbarr conducts, Nicholas Till produces and the cast includes Stuart Harling, John Rath, Christopher Gillett and Maria Jagusz.

### Recommended

Madam Butterfly (Coliseum, Thursday). Graham Vick's astonishing production was the hit of the early part of the season, with James Cairns memorable as Cio-Cio-San, and John Mancini conducting marvellously. Now Rowland Sidwell is Pinkerton.

### Tom Sutcliffe

### DANCE

SADLER'S Wells Royal Ballet brings its dramatically powerful *Swan Lake* back to Covent Garden tonight.

### Welsh National OPERA

Cenedlaethol Cymru

### ASTRA THEATRE LLANDUDNO

June 11-15 1985

## OPERA HOLIDAYS BY THE SEA

— on the beautiful North Wales coast

Welsh National Opera has organised attractively priced Opera Holiday packages for our Summer season in the elegant resort of Llandudno.

These packages include best available seats for the operas, hotel accommodation, breakfast and dinner

### RIGOLETTO · TOSCA · NORMA

Stars appearing include

ANTHONY BALDWIN, JOSEPHINE BARSTOW, ARTHUR DAVIES, DONALD MAXWELL, SUZANNE MURPHY, DENNIS O'NEILL

Telephone 0492 76522 for your free brochure

N.B. Booking closes Saturday 18 May

Limited Season

Liv Ullmann "riveting"

Michael Gambon "Superb"

Nicola Pagett "Exquisite"

# Old Times

by Harold Pinter

David Jones

"It is thrilling to see work of such quality in the West End"

"EXTRAORDINARILY FUNNY"

"Immaculate, teasing...unequivocally sexual...a gilt-edged, all-star, first-rate revival"

Theatre Royal Haymarket

Box Office 01-930 9832

NEW SHOW

HARVEY

THE WALLBANGERS

Like Men Possessed!

ROCKFORD THEATRE

7-11 MAY 8PM

BOOK NOW ON 01-3573625

GRIFF RHYD JONES

BLISSFULLY FUNNY

GRIFT RHYD JONES

GWIN TAYLOR

Trumpets and Raspberries

A NEW COMEDY BY

DARIO FO

PROXIMITY THEATRE

740 968 CC AN 7204 171 0431



## May 3, 1985 Are sanctions a symbol or a policy?

President Reagan's abruptly proclaimed trade embargo against Nicaragua has naturally been criticised as likely to push the democratically elected Marxist government further towards Moscow and is, in any case, hardly the most tactful way to start an economic summit about freeing world trade. Sir Geoffrey Pureships, Mr Denis Healey sees it as "an act of revenge" against the US Congress' refusal to grant any more money to finance terrorism.

But the more immediate question, of course, is: will it work? US officials may predict that it will put the troubled Nicaraguan economy on its knees, but it is difficult to find evidence to support this. Mr Wayne Smith, an academic and former diplomat who helped to establish the US trade embargo against Cuba 25 years ago, commented this week: "It didn't work then and it won't work now. In the long run they will find alternative outlets for their exports and will get their imports elsewhere too."

This is certainly what happened during the 15 year British embargo against the rebel white regime in Rhodesia, which may help to explain why Mrs Thatcher is not rushing to support the President this time. Far from bringing Rhodesia to its knees (as the politicians had predicted) sanctions were breached on a wide scale and the economy made giant strides towards self-sufficiency. Statistics published afterwards showed that in only one year there was a balance of payments deficit (1965) and during the last five years of the rebellion the surplus averaged £100 million, or ten times the pre-UDI years. And that was an embargo, supposedly being applied by the United Nations.

Nor does the US experience of trying to stop the pick of Silicon Valley's microchips finding its way to the Soviet Union show much more success. As Mr Richard Perle, assistant US Secretary of Defence laments, the USSR manages—through a chain of front organisations throughout the world—to snap up the latest American chips and

apply them to defence quicker than the US military (which is subject to bureaucratic bidding procedures and Congressional voting) is able to.

If landlocked Rhodesia runs rings around the United Nations, what chance has the US of imposing its will on the isthmus of Nicaragua, whose business with the US has fallen to only 15 per cent of its total foreign trade? It is true that Nicaragua depends on America for supplies of critical spare parts for capital plant like oil refineries. Also, its main exports — bananas, shellfish and fresh meat — are perishable. And it has big debts and little cash. But it is difficult to believe that alternative markets will not emerge, even if they push the country into even greater dependence on the Soviet bloc.

It is difficult to see President Reagan's move as anything other than an ill conceived move taken out of pique following the failure of his attempt to persuade Congress to vote \$14 million in "humanitarian" assistance to the rebel forces. A trade embargo, unlike financial assistance, does not require Congressional approval. The US has also abrogated a 27-year old friendship treaty with its Central American neighbour. Ironically the embargo will worsen the already huge US trade deficit, since the Sandinista government actually runs a trade surplus with the US, and it will also put still more pressure on Nicaragua's already hard pressed private sector.

This is flailing, flailing stuff: and illogical to boot. Washington won't apply the pressure (a very different pressure) of sanctions to South Africa, but seeks to throttle Managua. Mr Reagan may be angry with those critics who say he's lost his grip. But where, pray, is the evidence of that mastery of events?

## Bombs on the beach

Commonsense says that when two small bombs go off in the middle of the night on Spanish beaches there is no need for anyone to put their holiday plans into reverse. In the soulless world of statistical risk calculation, the chances are infinitesimal that any particular one of Spain's expected 43 million foreign visitors this year will have things ruined by either an ETA bomber or a holiday resort mugger. But the

fear of risk and the chances of risk just do not always fit together in that nice tidy way. Tell old ladies that they run relatively little danger of being attacked on the street and they will tell you that you do not live in the real world. Tell the average person in Britain that they have a statistical chance of being assaulted once in 100 years (which is what the British Crime Survey concluded) and they will dismiss you as a naive academic. In all these situations, it is the scare factor that counts. Whether the Spanish tourist industry now faces a run of cancelled bookings is hard to judge. Spain is by no means the only place in the world, sadly, where terrorism has punctured the easy rituals of everyday life. Britain, after all, has suffered regular bombings in its public transport, in tourist attracting places like the Tower of London, Regent's Park and the Oxford Street stores. But the foreign visitors keep on coming in their millions. The lure of the exchange rate far outweighs the risk of mutilation by the IRA. Last year, in the wake of the Harrods bomb and the Libyan embassy siege, 11 per cent more tourists came here than in 1983. If they are put off from coming, according to a new survey of German attitudes to visiting Britain, it is overwhelmingly the weather, the prices and the food that are the most potent deterrents. Political factors, the risk of crime, the threat of terrorism count for nothing, the survey found. Nor is it only British tourism that can take it. Athens (and even its airport) has had more than its recent share of bombings and shootings. Yet Greece, thanks to the cheapness of the drachma, is poised for a tourism bonanza in 1985.

Spanish tourism too is likely to survive. But the beach bombs this week in Benidorm and Valencia will have disturbed more than just the sand. The difference about what is happening in Spain is that it is aimed directly at the tourist trade. Mass tourism has not merely transformed the appearance of Spain. It has lifted the country's economy out of poverty into prosperity. So any terrorist group which wants to find a new lever to put pressure on the Madrid government is making unpleasantly shrewd calculation in choosing tourism as a target. All the more so when the price increases of up to 20 per cent on Spanish holidays this year compare so unfavourably with the relative standstill in the cost of going to Portugal, Yugoslavia or Greece. Spain's previous hold on as much as 50 per

cent of the British overseas holiday market was already under threat from the price increases. The bombs will shake that grip still further. So while the tourists can afford to go elsewhere, the Spanish economy cannot afford to let them. That is why the Spanish authorities have quickly drafted in extra police to the coastal resorts. The bomb threat to life on the Costa Blanca may be relatively small. But the threat to Prime Minister Felipe Gonzalez's buoyant and bounding vision of an economically competitive Spain is real enough.

## Blasts on the hustings

Greece holds its premature general election on June 2, and it is already the bitterest contest since the restoration of democracy in 1974. The dubious circumstances under which President Karamanlis was removed from office (and the more dubious circumstances under which he was replaced by a pro-Government nominee, Judge Christos Saratzakis) have ensured a ferocious fight. The official Opposition party, New Democracy, still refuses to recognise the legitimacy of the switch. One of the first tasks of a New Democracy government, if one emerges this summer, will be to attempt to purge President Saratzakis, thus ensuring another constitutional crisis. The removal of Karamanlis has focused attention upon the style of the Pasok (socialist) government led by Dr Andreas Papandreu, and renewed fears about his ultimate aims. There is, undoubtedly, an impulsive unpredictability and a periodic ruthlessness about the Pasok house style. There is also an extremism of rhetoric which mildly annoys the European allies but manifestly angers and alarms the United States. That rhetorical extremism was, however, diluted for the past four years by the reassuring signals sent forth from a conservative president, apparently working in harmony with his prime minister. Now the signals suggest that a second term Papandreu government would find such checks and balances intolerable.

Just how much those signals will be worth to Pasok's enemies come polling day remains to be seen. But almost half of those who voted socialist in 1981 moved towards Dr Papandreu's party from the centre. Without them he cannot survive. If

they now suspect a period of unbridled Marxism at home and neutralism abroad they could peel off to New Democracy. It is a conservative party with a recently elected leader, Mr Constantine Mitsotakis, a former Liberal who is determined to shift his new party towards the centre.

But the voters will not only be judging the events of the past two months. They will be judging the record of the most militantly leftwing government in Nato. In doing so they will be measuring it against the one-word slogan "Change." For Greece the demand for change remains a complex thing. It embraces economic modernisation, social reform and an overwhelming desire for a government not beholden to any outsiders and which will stand up firmly for the perceived national interest. It is on the economic front that the government looks most vulnerable — if only to the high expectations it engendered. Inflation is marginally down on the 24 per cent annual rate inherited from New Democracy, yet unemployment is up. The Ministry of National Economy has not produced a convincing national plan although its flirtation with biotechnology and other 21st century wonders will, if it pays off at all, pay off big. The attempt to seek trade and investment from the Arab world (including Libya) and from the Soviet bloc is medium term stuff. But EEC membership has produced a prosperous, duly grateful peasantry. Yet the urban proletariat, with newly freed unions, is distinctively restive.

Socially, the government has a respectable record. Educational opportunities have improved. Health and pension provisions are better and women's rights, from civil marriage and divorce, through property rights to abortion look a sight more clarified. The swing issue is international opinion and internal opinion diverge dramatically. When Papandreu tweaks the Turkish nose or cuts up rough with his Nato allies, the West is inclined to feel that he is playing the odd man out, to no particular purpose. (That is the interpretation New Democracy is selling.) But many Greeks feel that their country has been an unwelcome acquiescent ally for half a century. Papandreu's foreign policy may not have achieved much. But, at least, it has demonstrated that you don't have Greece to push around any more. If that feeling remains strong, then Papandreu will gain his second term in spite of the growing worries about where he is going and why.

## LETTERS TO THE EDITOR

### State education on the brink of a major degeneration

Sir—I was rather disappointed to hear Mrs Shirley Williams's reaction to the current teachers' dispute.

I understand her support for the control of inflation and I understand her desire to appear to be dispassionate and independent in tackling difficult problems. I was surprised that she did not lend more weight to the clear justice of the teachers' case.

Does she really believe that teachers, and of course, certain other groups in the public sector, should be the only ones to accept great sacrifice in order to contain inflation? Does she not understand just how low morale is sinking in the profession?

In 20 years, I have never seen such conviction amongst colleagues that the squeeze on state education has gone too far. I know of no colleague who will recommend teaching as a career. We have to be on the brink of major degeneration if nothing is done. Clear progress has to be made, and made this year, towards adequate recognition of the essential contribution which state education makes to the health and wealth of the nation.

Also, with this figure, we would also back even further in relation to all non-manual employees. We would then achieve the slow climb back to respectability through a structure package.

I do not understand why we have to pay for a restructuring package by suffering more than a 30 per cent salary cut first while at the same time having to work harder to achieve the goals of a secretary of state who appears not to have the slightest idea of what constitutes adequate resources. It is not going to work. Teaching is done. Clear progress has to be made, and made this year, towards adequate recognition of the essential contribution which state education makes to the health and wealth of the nation.

What on earth is wrong with restoring salary levels to those set by a perfectly respectable, government-appointed body over ten years ago? Then if government needs teachers to accept changed conditions of service, it should be prepared to pay for it. If such a development holds all the prospects for improvement that government suggests, then it should be only too happy to pay.

With falling rolls in schools, government should be able to look at state education and say: "On good—let's improve the service without any real increase in cost. We can begin to pay teachers properly and begin to reduce pupil-teacher ratios so that they are similar to those enjoyed in private education. Instead, government rubs its hands and holds back the cash so that

it can give handouts to people who do not need them."

Will not Mrs Williams set herself against this latter course? Yours faithfully, Robert Brown, Stevenage, Herts.

Sir—As a teacher, I entirely agree with Sir Keith Joseph's remarks (April 29).

I am mad: mad that after six years' full-time training and years of experience a teacher earns the same as an 18-year-old recruit to the Metropolitan Police Force. I am mad that a teacher with four children is now eligible for free school meals for those children and entitled to claim supplementary benefits.

I am mad that young well-qualified teachers are leaving the service disillusioned and bitter.

Secondly, I agree with Sir Keith that an unprofessional status in public education, status, resources, and salary I am not treated as are

other professions: therefore I must be unprofessional.

Finally, together with my colleagues, I am causing the maximum disruption to pupils at the minimum cost to myself. I have not spoken to one teacher who has not searched his conscience before taking action, even rejecting possibly the most effective weapon: disrupting examinations.

Much as we sincerely regret the effect on pupils as I understand it, the aim of any industrial action is to achieve maximum effect at minimum cost. Still, perhaps I am mistaken: an oran-utan does not rate high on understanding, especially when he's mad.—Yours P. W. Flint, Doncaster.

Sir—Sir Keith Joseph's statement, released by the Conservative Central Office (April 29), leads me to make the following observations.

In attempting to retrieve a wage level, nationally ac-

cepted as having fallen way behind others in recent years, to say nothing of declining career prospects, teachers are now considered "immoral" and "mean."

Also we learn that the teachers pay dispute is now "tied in" with restoring the nations trading competitiveness.

Strong stuff from a government moral enough to turn its back on 84 million unemployed and whose restrictive policies have encouraged high unit costs and poor trading performances through firms working at under capacity in half empty factories.

However, being a "mad" teacher could be forgiven for thinking that investment in education should be a prerequisite for good economic performance rather than a result of it.—Yours Carl Nield, Bingley, Richmond Road, Sheffield 12.

Sir—Your report about Prince Charles and the Pope completely misses the point. It has very little to do with appeasing Protestant extremists.

The vast majority of people in this country, outside the poor priestly victims in Northern Ireland, no longer accept the dangerous and divisive, supernatural doctrines and dogmas of the Catholic Christian religion that was officially formu-

lated at the Council of Nicaea in AD 325—Roman and Anglican.

These people would not take at all kindly to seeing their "populace" King being made to grovel at the feet of a priest of any religious sect.

This is the exciting, scientific age of reason and the general public are sick and tired of the antics of the priests and their victims throughout the world. Michael Ball, Bristol.

Sir—The news that the Queen recommended that her son and his wife decline the Pope's invitation to mass remains as one more of the anachronistic discrimination of the British monarchy. Few probably remember that no one ever prohibited the young Queen Elizabeth from attending the Orange lodges of Northern Ireland in the 1950s.

In fact the entire range of incidents, from the vetting of Prince Charles's possible brides-to-be to the forced "abdication" of Michael of Kent, show that Roman Catholics are the only religious minority in this country against whom there is statutory discrimination.

This is a typically British sort of eccentricity upheld by the likes of Basil Fume who ought to be campaigning for its removal and suppression. So long as no member of the royal family is permitted to marry a Catholic it will be perceived as bigoted and out-of-date.—Yours Charles J. Doyle, Witham, Essex.

Sir—In his article on Dr Hastings Banda (April 19) Terry Coleman comments that Malawi is one of the few African countries that not only feed itself but exports food as well.

While I have no love for Dr Banda I feel that it is important for us to realise why this is so. The reason is quite simple: alone among African leaders he has perceived a truth that eludes most of the "development experts."

In most of east, central and southern Africa it is the women who are the food producers. While most extension agents concentrate on men and their themselves men, who in the main cannot speak to the women, it is the women who are the ones

who need to be dealt with if food production is to be improved. Dr Banda, recognizing this, invites the women of an area to the capital, gives them a huge party, dresses them, and urges them to follow the advice of the agricultural extension staff. The result is obvious.

While it is not often possible for men to speak to women in Africa, a well educated woman, African or expatriate, can speak to both men and women, and be listened to with respect. One wonders when this fact will be grasped by organisations like the Food and Agricultural Organisation and other international groups.

James Lewton-Brain, State University of New York

Sir—What a contrast exists between the picture of Nicaragua which people listening to Reagan's rhetoric get and the picture received by those with any knowledge about the country's priorities.

What many of us see is a country working hard to improve the living standards of its people. For example, the Ministry of Health has pursued a successful child health programme and managed to eradicate polio in the last few years. The items on the department's list of priority medicines are those

for specific use in child health.

In response to these priorities the Clapham Group for Medical Supplies to Nicaragua is one of a number of groups in Britain raising funds for essential medicines for the Nicaraguan people. Projects for long term health programme are particularly important at this time now that resources have had to be diverted to emergency treatment.

Fatti Wattersson, Clapham Group for Medical Supplies to Nicaragua, London SW4

Sir—The double error in the mass that never was

What I like most about stealing cars is that it shows up in the crime figures

offences recorded by the police was a sex offence. No matter how sympathetic the police officers may be, it is always going to be a lot more traumatic to go to the police after you've been raped than it would be if you'd had your car stolen.

We are contacted by more and more women and girls and I'm sure that all rape crisis lines, incest survivors' groups and women's aid refuges are finding this too. This may be because we are becoming better known or because it is becoming very slightly easier for women to talk about what men have done to them, but even so, it seems unlikely that sexual attacks are actually getting less common.

Rape and sexual assault are endemic in our culture, they are to be expected in a society where women are valued so low. The problem can be played down by subtle changes in the language and the use of phrases like "spouse abuse" for men beating the women they live with, "incestuous relationship" for a father raping his daughter, or your own "people convicted of rape"—which people? but the reality is that men rape and abuse women on such a scale that police figures become irrelevant.—Yours faithfully, Brenda Clarke, Manchester Rape Crisis Line, Manchester.

You to the statement by the Prime Minister of Lebanon, Mr Rashid Kharami two days ago, in which he stated that the ELO has nothing to do with the situation in Lebanon and is in no way involved.—Yours faithfully, Fayal Aoudia, PLO Representative, London.

Sir—"Flocinaudinilipiliplification" (29 letters) the longest word in the English language? (Letter May 1) Oh no, it's not.

"Pneumonoultramicroscopicsilicovolcanocapnositis" (45 letters) surely takes the prize.—Yours faithfully, Jacqueline Jones, Teddington, Middlesex.

Sir—W.A. reference to your articles about the Palestinian attacks on Christian villages. The ELO categorically denies any involvement in these matters.

Our presence in Lebanon is defending our refugee camps against the Israeli surrogate troops of Anton Lahad, and I would refer

to the Alliance parties (Guardian May 1), but why the massive gift to the Liberals from the British School of Motoring? Is it in the belief that middle of the road policies will require us to take more driving lessons?—Yours, Dietmar Kuchemann, Wandsworth, London SW18.

Sir—Your article on Rutland in Travel Guardian (April 27) was enjoyable, but I am at a loss to understand why you used two photographs of Oundle to illustrate the piece. Rutland Water is very photogenic and there are some attractive villages nearby, such as Eton and Empingham. Rutland Water is in the Oundle Division of Anglian Water, but Oundle is in the county of Northamptonshire.—Yours sincerely, D. A. Brown, Sawtry, Cambs.

Sir—I can understand companies like Commercial Union, General Accident and Norwich Union hedging their bets by making donations to

VERONICA BEATH

## A COUNTRY. DIARY

NORTHUMBERLAND: Living in the valley of the Washburn, I went to the river in its source yesterday and spent a morning with the warden of Sweethope lough. This is a lovely stretch of water situated in a conifer wood but on the moors below the beetling Wansie crags. The house and the dam at Sweethope were built in 1830 but the lower dam dates from 1730 and originally had a mill race bobbled about in a boat in the middle of the lough alongside one of the small islands, admiring two Canada geese sitting on their nests. Their partners honked up the moors beside us and the noise, although strident, was much more musical than the basic honking of the greylag geese. Canada geese are down to about twenty now at Sweethope, but this fluctuates as the birds do commute between lakes at Hallington, Capheaton and Kielder. Two goldeneye ducks glided stiffly past, and several mute swans planned dramatically across the water at intervals to remind us of their presence. Leaving the Canadas' nursery quarters we chugged up the lough to the island at the west end where the warden showed me the pair of great crested grebe there. He told me that their nuptial displays had been spectacular, and I was thrilled to see them entwining necks momentarily and then presenting pieces of wood to one another. We kept about 70 yards away and watched them through our binoculars. I will visit them again because the warden's wife told me that the baby grebe pair produced last spring, was an adorable one—just like a little striped hummingbird. The short-eared owls, which are winter visitors to the heather above the lough, have increased in number this winter, which was the good news. The bad news was that the warden had picked up a dead mink by the water's edge the previous week.

VERONICA BEATH

## Crimes that dare not speak their name

Sir—We were surprised to read your headline (April 29) claiming that the number of sex offences is falling, but less surprised when we found that you were referring to police figures.

The number of so-called sex offences investigated by the police may well be falling, but it is well established now that rape, indecent assault and similar offences are underreported crimes.

Of the women who contact us, only about a quarter have reported to the police, and this figure is pretty standard among rape crisis lines.

There has been a lot of publicity over the last couple of years about the bad experiences which some women have had on reporting crimes of sexual violence and this may well have deterred even more women from reporting, thus giving an apparent drop in the number of offences. I do not think any of us can really blame the police for whether these offences are increasing or decreasing, as so many women don't feel able to tell anyone at all, let alone ring a rape crisis line or go to the police.

It's hardly surprising that fewer than one out of 150

the Alliance parties (Guardian May 1), but why the massive gift to the Liberals from the British School of Motoring? Is it in the belief that middle of the road policies will require us to take more driving lessons?—Yours, Dietmar Kuchemann, Wandsworth, London SW18.

Sir—W.A. reference to your articles about the Palestinian attacks on Christian villages. The ELO categorically denies any involvement in these matters.

Our presence in Lebanon is defending our refugee camps against the Israeli surrogate troops of Anton Lahad, and I would refer

to the Alliance parties (Guardian May 1), but why the massive gift to the Liberals from the British School of Motoring? Is it in the belief that middle of the road policies will require us to take more driving lessons?—Yours, Dietmar Kuchemann, Wandsworth, London SW18.

Sir—W.A. reference to your articles about the Palestinian attacks on Christian villages. The ELO categorically denies any involvement in these matters.

Our presence in Lebanon is defending our refugee camps against the Israeli surrogate troops of Anton Lahad, and I would refer

to the Alliance parties (Guardian May 1), but why the massive gift to the Liberals from the British School of Motoring? Is it in the belief that middle of the road policies will require us to take more driving lessons?—Yours, Dietmar Kuchemann, Wandsworth, London SW18.

Sir—W.A. reference to your articles about the Palestinian attacks on Christian villages. The ELO categorically denies any involvement in these matters.

Our presence in Lebanon is defending our refugee camps against the Israeli surrogate troops of Anton Lahad, and I would refer

to the Alliance parties (Guardian May 1), but why the massive gift to the Liberals from the British School of Motoring? Is it in the belief that middle of the road policies will require us to take more driving lessons?—Yours, Dietmar Kuchemann, Wandsworth, London SW18.

Sir—W.A. reference to your articles about the Palestinian attacks on Christian villages. The ELO categorically denies any involvement in these matters.

Our presence in Lebanon is defending our refugee camps against the Israeli surrogate troops of Anton Lahad, and I would refer

to the Alliance parties (Guardian May 1), but why the massive gift to the Liberals from the British School of Motoring? Is it in the belief that middle of the road policies will require us to take more driving lessons?—Yours, Dietmar Kuchemann, Wandsworth, London SW18.

Sir—W.A. reference to your articles about the Palestinian attacks on Christian villages. The ELO categorically denies any involvement in these matters.

Our presence in Lebanon is defending our refugee camps against the Israeli surrogate troops of Anton Lahad, and I would refer

to the Alliance parties (Guardian May 1), but why the massive gift to the Liberals from the British School of Motoring? Is it in the belief that middle of the road policies will require us to take more driving lessons?—Yours, Dietmar Kuchemann, Wandsworth, London SW18.

Sir—W.A. reference to your articles about the Palestinian attacks on Christian villages. The ELO categorically denies any involvement in these matters.

Our presence in Lebanon is defending our refugee camps against the Israeli surrogate troops of Anton Lahad, and I would refer

to the Alliance parties (Guardian May 1), but why the massive gift to the Liberals from the British School of Motoring? Is it in the belief that middle of the road policies will require us to take more driving lessons?—Yours, Dietmar Kuchemann, Wandsworth, London SW18.

Sir—W.A. reference to your articles about the Palestinian attacks on Christian villages. The ELO categorically denies any involvement in these matters.

Our presence in Lebanon is defending our refugee camps against the Israeli surrogate troops of Anton Lahad, and I would refer

to the Alliance parties (Guardian May 1), but why the massive gift to the Liberals from the British School of Motoring? Is it in the belief that middle of the road policies will require us to take more driving lessons?—Yours, Dietmar Kuchemann, Wandsworth, London SW18.

Sir—W.A. reference to your articles about the Palestinian attacks on Christian villages. The ELO categorically denies any involvement in these matters.

Our presence in Lebanon is defending our refugee camps against the Israeli surrogate troops of Anton Lahad, and I would refer

to the Alliance parties (Guardian May 1), but why the massive gift to the Liberals from the British School of Motoring? Is it in the belief that middle of the road policies will require us to take more driving lessons?—Yours, Dietmar Kuchemann, Wandsworth, London SW18.

Sir—W.A. reference to your articles about the Palestinian attacks on Christian villages. The ELO categorically denies any involvement in these matters.

Our presence in Lebanon is defending our refugee camps against the Israeli surrogate troops of Anton Lahad, and I would refer

to the Alliance parties (Guardian May 1), but why the massive gift to the Liberals from the British School of Motoring? Is it in the belief that middle of the road policies will require us to take more driving lessons?—Yours, Dietmar Kuchemann, Wandsworth, London SW18.

Sir—W.A. reference to your articles about the Palestinian attacks on Christian villages. The ELO categorically denies any involvement in these matters.

Our presence in Lebanon is defending our refugee camps against the Israeli surrogate troops of Anton Lahad, and I would refer

## HOW DOES A BLIND WORKER HOLD DOWN A JOB?



It may surprise you to know that blindness seldom strikes suddenly. Often it creeps on little by little.

If you know anyone who is losing their sight, or if you believe it is happening to you, we would like to offer some advice.

Don't resign from your job. Don't try to get paid off. Talk to us at RNIB first.

Some people can continue in their old jobs with suitable re-training and others can acquire different skills for new jobs.

Telephoneists, teachers and typists can often carry on at work. So can civil servants, administrators, university professors, clerical staff, solicitors, law lecturers, social workers, computer programmers and many others, too.

Many other people in industrial production learn new skills and stay at work.

And most are there because they acted on advice as soon as they realised they were losing their sight.

If blindness is coming on, come and talk to us at RNIB, in the surest confidence. We'd like to help as early as possible.

ROYAL NATIONAL INSTITUTE FOR THE BLIND

224 Great Portland Street, London WIN 6AA. Tel. 01-388 1266.

224 Great Portland Street, London WIN 6AA. Tel. 01-388 1266.

224 Great Portland Street, London WIN 6AA. Tel. 01-388 1266.

224 Great Portland Street, London WIN 6AA. Tel. 01-388 1266.

224 Great Portland Street, London WIN 6AA. Tel. 01-388 1266.

224 Great Portland Street, London WIN 6AA. Tel. 01-388 1266.

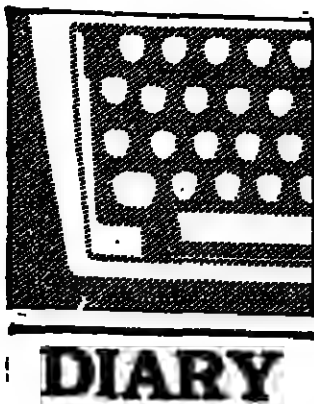
224 Great Portland Street, London WIN 6AA. Tel. 01-388 1266.

224 Great Portland Street, London WIN 6AA. Tel. 01-388 1266.

224 Great Portland Street, London WIN 6AA. Tel. 01-388 1266.

224 Great Portland Street, London WIN 6AA. Tel. 01-388 1266.





## DIARY

THERE is no more loyal supporter of our Ken than Ken's mum, Ethel, who is 70 next Tuesday. Now Ethel was down in London at the weekend, anxious for news of the Brent selection conference. Trouble is, she was staying with her brother, Ken Kennard, and Ken is a fervent Tory and starts frothing at the mouth when he hears his nephew mentioned.

So Ethel devises a plan. She pretends she's going to bed, gets into her nightie and dressing gown and goes upstairs to bed. Night night, she says, so Ken & Ethel decides to turn in, too. The moment she hears brother Ken's door shut, Ethel's downstairs like a shot and tuned into the radio. You won't hear a sweeter story this year.

A MODEL of Mrs T in Dublin's wawork museum has been attacked by snipers. They plunged a sword through her chest and chopped off her nose and mouth. No political malice, though. They went for Patrick Pearse and James Connolly, too.

THE Washington Post has been fighting once more in its favourite pastime of hunting for intellectual skeletons. The latest target is the Reagan administration's latest middle-ranking appointment, Mr. Marianne Mele Hall as Chairman of the Copyright Royalty Tribunal. In particular, attention is focused on her 1982 book, *Foundations of Sand*, which states that black Americans insist on preserving their jungle freedoms, their women, their avoidance of personal responsibility and their abhorrence of the work ethic. It follows that race problems arise, says the book, "when you replace the jungle-freedom types into the Scotland-type environment which is America."

Does she believe this stuff? "I want to make it clear," she told the Post. "I edited that work. Period. ... in the sense of ghosting, no research, no writing, clearly editing." So why is she billed on the front as "co-author?" "If I wash a floor well," she says, "I'll take credit."

LORD Longford: "My own wife, as some people know, had a lot of children — eight if I remember rightly." (Hansard, May 1, Col 251)

A DOZEN or so members of Leicester CND visited Alconbury USAF base on Wednesday intent on climbing the perimeter fence dressed as rabbits. They parked near a group of camera-toting plane-spotters, whipped out their carpet, laid it over the barbed wire and were just about to scale the fence when, as a man, all the plane-spotters downed their cameras and pounced.

Just their luck to have chosen to climb on Wednesday, the day of the sinking of the *Belgrano* held by some undergrads at St. John's College, Cambridge. The irony is that the boat in the college grounds hecks guests to get "totally exclusively" coned. The time? "From 17.00 (conqueror rights) to 20.00 (the end of the world)." Don't you just yearn to be young again?

SADLY, precious engagements prevented me from attending last night's third anniversary party of the sinking of the *Belgrano* held by some undergrads at St. John's College, Cambridge. The irony is that the boat in the college grounds hecks guests to get "totally exclusively" coned. The time? "From 17.00 (conqueror rights) to 20.00 (the end of the world)." Don't you just yearn to be young again?

ANOTHER front in the relentless war against the BBC has been opened up. The Tories in Scotland are outraged at derogatory remarks alleged to have been directed at the Scottish Secretary, Mr. George Younger during a phone-in programme about the vexed issue of Scottish rates on BBC Radio Scotland on Wednesday evening. Mr. Younger declined to take part in the programme since he proposes to announce new measures at the forthcoming Scottish Tory Conference. So angered were Mr. Y and his aides that there have been dark mutterings about withholding BBC passes to the Tory conference.

THE real explanation being offered for the Bitturburne pick-up in the most select Washington circles is, as it always is, the most obvious. It is simply this: when the President's advance man, Mr. Michael Deaver, originally visited Bitturburne cemetery it was covered in snow.

Alan Rusbridger

## The liberty man takes his leave

"When I see leader articles in the Mail and Express in support of me, I spit on them. I don't want them as friends," says Larry Gostin. This is pretty strong stuff from the small, quiet American unbottling his emotions in his first interview since deciding to resign as General Secretary of the National Council for Civil Liberties.

For the first time in his 18-month tenure he has spelled out his own political views and given his version of the row that has split the NCCL. "It's been the hardest, most difficult thing that ever happened to me, or ever will. This is the first time to actually say what I think."

He decided to resign on Tuesday night — two days before the NCCL's executive committee meeting — in the belief that it was unrealistic and improper to expect them to oppose decisions taken at last Sunday's annual meeting, which loudly repudiated his vision of a politically, even-handed organisation.

"I don't regard this as a defeat," he said. "I hope that it's going to be the beginning of something. A lot of people are telling NCCL that they have to stop and think. I just can't believe that after this it will be business as normal."

He believes that he could only continue as general secretary if he publicly endorsed the AGM and executive. "That would be weakening the organisation and I couldn't look at myself in the mirror if I did that." He had not been pushed out by the executive. Its chairman had asked him to stay. "It's another fairly mischievous piece of speculation that's been going on for some time. The executive has been extremely supportive throughout. None of his supporters been gunning for the Left."

"I've never said this to anybody before, because I thought it was inappropriate to do so at NCCL. But I am of the Fabian Left, a close friend and ally of the Left. I wasn't against the Left-wing and I wasn't trying to have a war of attrition with them. I was only trying to explain that the NCCL cannot be a creature of the Left."

"NCCL has to be prepared to defend civil liberties irrespective of the political context in which they arise. It will never become as great as it should unless it can recognise that."

Gostin, 35, has dissociated himself from moves to set up an alternative body.



"There's only space for one civil liberties organisation and NCCL has a proven record. I will go on fighting as a member."

The saga had begun in March last year when a member of staff, seeking to impress a reporter with NCCL's even-handedness during the miners' strike, revealed that advice had been given to the National Front on two recent occasions.

According to Gostin, every previous General Secretary had sanctioned the bare minimum of advice to the National Front and racist individuals. But the resulting headlines, had prompted an

emergency motion and instructions from the executive about "no-go areas." Gostin had to turn cases away.

"For example, I turned down the case of a transsexual who claimed that she was discriminated against by the DSS in receiving benefits. It was discovered that she had been a member of a fascist organisation and we refused aid. It later transpired that she had dissociated herself from her previously racist views, and I then felt the proper thing to do was to give her advice."

"That was how it began. It wasn't an attempt to shift NCCL policy or provoke it

in any way, but to defend it."

He claims that even before his appointment the executive had agreed to aim for a more broad-based policy. He had emphasised that aspect in his first press conference. Would it not have been more pragmatic to have enlisted his predecessor, Patricia Hewitt, an openly-avowed Leftwinger whose advice to the National Front had not evoked one murmur of protest? He fully supported Patricia Hewitt and Harriet Harman, he said, but every one was different.

"I think you have to play it straight. I would have

## NCCL General Secretary Larry Gostin goes but, he tells Stuart Wavell, the fight for reform continues

Gostin: "This is the first chance to actually say what I think." Picture by Frank Martin

loved to say, 'I'm one of you, trust me,' many, many times. But if you let the Left know that you're their buddy, then you have to let the middle and the Right know that you are not their buddy. To me, the real Left doesn't always have to defend the interests of trade unions. There are things that Liberals and some Conservatives do that are just as radical as Labour and the Left."

He believes, nevertheless, that NCCL's primary function should be to defend trade union rights in the present repressive climate. "To be frank, the political Right in this country have a disgraceful record on civil liberties, an absolutely disgraceful record, particularly under Thatcher."

But attached to this was his caveat about non-striking rights which was shot down in flames at the weekend. Gostin served with distinction for eight years as legal director of MIND, where he was credited with bringing about the first major piece of mental health legislation in 20 years. There he worked with members of all parties, attacking Cohen and Nipe policies with impunity. But at NCCL hadn't he underestimated the built-in trade union bias and the depth of British tribal hostilities?

He says that trade union funding — a quarter which jumped together with GLC aid — had never been a serious factor. If withdrawn, it could have been replaced from other sources. As for dividing tribal hostilities he was neither a genius nor an ignoramus.

"If I made a mistake, it was the same that a British person would have done. Instead of bobbing on the water and having lots of people like you, to stand up and fight for something and ultimately lose your job for it, may be that was a mistake. I know it would be hard, but for the sake of NCCL which I love so much I wasn't prepared to let it neuter itself. I just wasn't going to have any part of it."

Asked to name his greatest achievement at NCCL, he says it was to continue in the radical tradition of his predecessors. He is proud that the council had secured more amendments than any one to the Police and Criminal Evidence Bill, the Data Protection Bill, the Prevention of Terrorism Act, and currently the Interception of Communications Bill.

What of his future? "I don't know really what I'll do. I just want to consider the position."

## A lesson in how not to build bridges JOHN TORODE sits in on the talks in Ankara

MR TURGUT OZAL, the Turkish prime minister last week discussed with visiting parliamentarians in Ankara to study the country's cautious moves towards democracy — the large number of development contracts and joint ventures now on

topping his list was the controversial second Bosphorus Bridge. He indicated his preference for the Japanese-Turkish consortium on the stated grounds that it was the cheapest deal on offer. The Japanese MPs, very senior people, nodded politely. Mr Ozal ended his remarks on the economy with a specific indication of

his country's desire to do business with Japan and with China. The very senior Chinese politician and his aides nodded politely and smiled.

The meeting took place around the cabinet table which is, apparently, a mark of the status given the occasion. Present throughout the discussions were a handful of foreign journalists, invited to Turkey to cover the meeting and to attend the celebrations marking the establishment by the Ataturk of the Turkish national assembly. This in turn was an indication of the seriousness with which the Turkish government took the event in

public relations terms.

To put it crudely, Turkey was seeking international recognition for its controlled return to at least a "guided" democracy after a period of military rule. That is why the members of assorted parliaments initially played it carefully when the invitations came up. Some of the more social democratic north European nations decided not to attend. They saw the continuing ban imposed upon political activities by the nation's two major politicians, Bulent Ecevit and Suleyman Demirel, as totally unacceptable. It called into question the legitimacy of the Ozal government.

In addition, human rights violations and the continuation of martial law in almost one third of the country's provinces — disturb many nations and, last week denied Turkey the presidency of the Council of Europe.

The British took a middle position between the boycotters and the enthusiasts like Japan and China with their high powered teams. Sir Anthony Kershaw MP, a senior Tory and chairman of the all-party Commons foreign affairs committee was invited to attend. He declined and eventually the plum visit, including a period in Istanbul complete with cruise on the Bosphorus,

a visit to the Aegean and tours of Pergamum and Ephesus, fell to the most junior Tory MP on the committee, Neil Hamilton.

With all due respect to Mr Hamilton, sending a backbencher with only 18 months experience of the House and a somewhat idiosyncratic Rightwing reputation, was hardly an overwhelming vote of confidence in the new Turkish regime.

Mr Hamilton was I understand given the standard Foreign Office briefing before he set out. In which case he was told the following: Turkey is making genuine efforts to return to democratic rule and Her

Majesty's Government looks with sympathy upon those efforts.

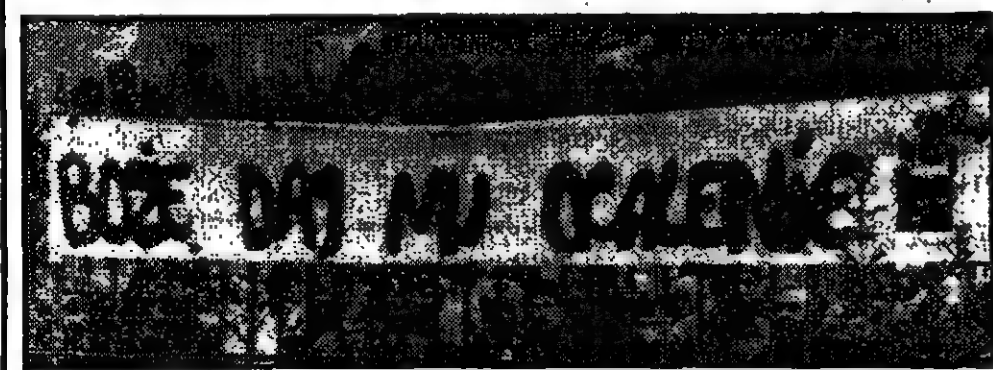
European power and one should weigh its human rights record against those of its neighbours. In addition, this country has no specific human rights complaints against Turkey going through the system.

On the other hand — as Sir Geoffrey Howe pointed out during his recent visit to Turkey — things are a bit rough and that makes it difficult for Turkey's would-be friends in Westminster. Britain feels, in FO jargon, "disquiet" about continuing repression in Turkey. Even so, we would like to do more

business with the Ozal regime.

Opinion in Ankara is divided about whether it was the credits and cost-cutting or political public relations which finally lost Britain the contract. But the calculated coolness of Britain last week undoubtedly played a part in the decision making process.

It was Cleveland Bridge, a Trafalgar House subsidiary which built the first Bosphorus bridge 12 years ago, which lost out last week. But for the record, Mr Ozal stressed that there were plenty more contracts up for grabs and claimed that his economy was on the up and up and open to all comers.



"God Save Him": the sign outside Father Popieluszko's church last year

## HELLA PICK, in Warsaw, on a pro-Solidarnosc revival

### Masses of resistance

ON MAY Day this week in Warsaw, 10,000 people set off on a pro-Solidarity march to counter the official celebration led by General Jaruzelski. Before they started they all attended mass in the church of Saint Stanislaw Kostka — once the church of the murdered Father Jacek Popieluszko.

The church — in a Warsaw suburb — has now become a political as well as a religious shrine, a symbol of challenge to the Polish regime. An unending stream of people come from all parts of the country, and abroad, to shuffle past the grave, lay flowers, and sink in their knees in silent prayer.

Inside, there is a gallery of photographs of Father Popieluszko — young, fiery and very personable. There are also photographs of the viduet on the Vistula where his battered body was recovered, and of a car like the one into which his captors hurled him. And his political message is kept alive by a succession of priests who officiate over the "Mass for the Homeland" that he always held on the last Sunday of the month.

Last Sunday, Father Lewek declared that Poland was "the scene of a dramatic ideological struggle between atheistic communism and Christianity." His homily was relayed by loudspeakers to a crowd of perhaps 15,000 people, standing outside the overcrowded church on an unseasonably cold evening.

He said that Father Popieluszko had been a martyr for faith and truth, and he expressed the hope that the struggle between Church and State, between believers and atheists, would be maintained. "Who is going to be the shepherd of Polish youth: Jesus Christ or Karl Marx, a man who was morally weak and whose spiritual record was repulsive?"

Poland, Father Lewek went on, shows "eloquent proof of the failure of 40 years of atheist propaganda." He concluded his sermon with prayers for the release of political prisoners, and for the restoration of Solidarity.

Such homilies, and similar prayers, are being read in Poland's innumerable packed churches, Sunday after Sunday, and often during the week. They signify far more than an emotional response to a martyred priest. A member of the Polish Curia, the body which administers the affairs of the Episcopate in Poland, drew a little sketch for me to illustrate the current confrontation between Church and State. On the left margin of a sheet of paper, there was a box entitled "Armies of the Church." On the other side he drew a much smaller box for the "Armies of the Party and the State." In between he left a large blank space to symbolise not only the extent to which they are divided by their competing philosophies, but also the ground that each side seeks to capture. The sketch was designed to show the Polish nation as a battleground between an atheistic atheist State and a Roman Catholic Church, which in Poland is equally absolutist, verging on fundamentalism. The Polish Church defends human rights, and is widely per-

ceived inside and outside Poland as a stout defender of Solidarity. Yet it can be as intolerant of religious dissent as the State is of political dissent.

Any criticism of the Pope's conservatism in respect to dogma, or of his opposition to liberation theology, is instantly interpreted by the Polish Primate as high treason. In a recent sermon, Cardinal Glemp not only criticised an article in the weekly paper, *Polytika* (which suggested that the Pope was motivated by strongly-held anti-Communist views), but also scolded the Western media for attacks on the Holy Father based on ignorance and naivety.

During the period of martial law, it looked as though the Polish regime and the Polish Primate, with his Bishops, had reached a tacit understanding. The Church appeared ready to cooperate to the extent of maintaining law and order, and trying to rally a disillusioned nation. But that is now history. Any idea of a common effort to revive the national spirit has given way to apathy.

"People are tired," everyone agrees. Sporadic marches, like the one on May Day, do not signify the reactivation of Solidarity. The Church, in this situation, sees no overriding need to help the government. It prefers to lead the alternate society, to use the battleground between the armies of Christ and of atheism for reconnaissance patrols.

The Church now organises performances of plays by those of Poland's leading writers, producers and actors, who do not want to cooperate with the secular authority. Father Osmulik, who acts as a spokesman for Cardinal Glemp, is reluctant to claim that the Polish Church is gaining new recruits. Its following is already vast. A great many people, he explains, who might otherwise stay away from church, come because they see it as a mental refuge, where the symbols of political opposition to the regime are still kept alive.

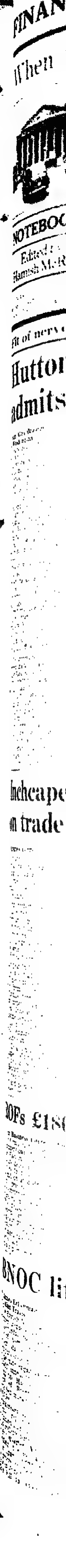


Somehow the first guppy in space (courtesy of Russia's Soyuz 21) didn't quite capture the imagination. The British have always taken their fish a little more seriously. Mobil too. We purveyed vegetable frying oil to the fish parlours of Manchester 80 years ago. Today it's the live ones around our North Sea platforms and in the Thames by our refinery that excite our interest. We make sure that every drop of water we use is thoroughly cleaned before it's put back. (In fact it's even cleaner than when we took it out). That keeps our piscine neighbours swimmingly fit and healthy, even if they're not high fryers.

Mobil



# There was an Englishman, an Irishman and .





# When there's trouble in New York you don't have to wait to feel it in London



## NOTEBOOK

Edited by Hamish McRae

IT WAS one of those days when chickens come home to roost. But they were all

rather different birds and so it is unwise to try to draw any firm conclusions, bar one.

There were four different chunks of bad financial news, three concerning American institutions, one British. Two can be dismissed quickly as quirky problems, uncomfortable for those involved, but not in a way unexpected.

The guilty plea of the US broker E. F. Hutton is a fraud charge in the US relating to events some years back and while the totality of the sums involved look large, the scale of the actual provisions made by the company are limited.

Much the same can be said of the further revelations at Minet. However, one feels about the whole PCW experience, and the way Minet had handled it, it is at least unsurprising that yet more vast

losses should be uncovered. If these are the result simply of bad underwriting, as is maintained, then that is the way Lloyd's works. There are losers as well as winners.

Minet's own provisions are relatively small. If something worse is discovered, then we would be back into a sadly familiar tale. At some stage the regular discovery of yet more losses for whatever reason is going to stop, but it is difficult to be confident that we are there yet.

The two sets of banking problems, from Wells Fargo and Bank of Boston, are qualitatively different.

It is not all clear just why Wells Fargo should take such a dramatic step as shutting down the bulk of its international operations. Anyone who recalls the fanfare with which the bank opened in London would find it

hard to accept that there has not been a pretty serious problem to make it change its direction in this way.

Wells Fargo says that it did not lose money on the foreign exchanges, but recent gyrations of the markets cannot have made life easier, and the market believes that somewhere at least substantial losses have been incurred. It seems prudent to expect further announcements from other banks.

Does the withdrawal of Wells Fargo from London hurt the City as an international financial centre? At the margin, yes. But you have to remember that the whole focus of international finance is shifting away from London towards securities markets. For every bank that leaves London a half-dozen securities firms are likely to move in.

Finally Bank of Boston:

here the problem has been the New York bond market, though the bank denies actual losses have been incurred. Now this might seem a long way from London, but actually it does have a relevance for what is happening here.

In the US the enormous growth of the budget deficit has enormously increased the size of the government bond market: the pool of securities is much larger, and the constant flow into that pool further generates business.

The techniques of trading are perfectly established, but when you get a market expanding suddenly, you such in participants which inevitably lack the experience to cope. Even if the institutions may hold collective wisdom enough to run the market there will be individuals who have been plunged in without sufficient experience.

and some institutions' control systems will fall to pick this up.

The relevance to London, of course, is that we are to have a completely new bond trading system next year. We are going to have to go through a learning experience. There will not be the sudden surge of supply of securities that has occurred in New York, but the trading volumes will presumably rise quite sharply as more capital is unleashed on the market. Someone is going to lose money.

franches of existing stock to create a market for new lines. Britoil is a bankable asset, and should be a relatively easy one to clear.

The obvious follow-on is part of the Government's remaining holding of British Petroleum, which is the nearest thing to an equity tap-stock that the authorities could have.

It is a question of the right sequential order of sales of the various assets, and if the recent experience of British Telecom, British Aerospace and British Airways has shown anything it is that it is a slight easier to get established assets away than it is to sell off assets for which there is as yet no market-price. Put at its lowest, the Britoil announcement, then certainly takes pressure off the British Airways float.

The market has become so

accustomed to the string of privatisation issues, that you begin to wonder how it will cope when the stream dries up. Of course, like the North Sea oil companies, they seem to keep discovering new fields to drill. Thus five years back no-one would seriously have thought of British Gas being privatised. Now people are beginning to ponder the possibilities of the CEB.

But of course dominating the whole equity market for the last part of the decade will be the unsold equity of British Telecom. It is now worth \$63 billion, but cannot be sold until 1988.

So it can't be sold until after the election. But eventually BT could perhaps become even more bankable than BP. Mind you, the election might create a little local difficulty.

## Fit of nerves for US finance markets

### Hutton of Wall Street admits huge cheque fraud

From Alex Brummer in Washington

Fears about the stability of the American financial system sent shock waves through the involving up to \$4 billion of yesterday as one of Wall Street's largest investment houses E. F. Hutton pleaded guilty to a huge cheque fraud involving up to \$1 billion of transactions. Its shares were temporarily suspended on the New York Stock Exchange pending the announcement. About 10 officials were said to be involved but they were not named.

The E. F. Hutton disclosures came as two of the country's largest banks announced that they were closing down important activities. Wells Fargo of San Francisco is shutting down international operations including its branches in London and New York. Some 55 jobs will be lost in the City of London, out of 300 employees being laid off worldwide.

that the move reflected a change in strategy.

By far the most serious of yesterday's developments in the US financial system was the problems at E. F. Hutton which affect more than 400 commercial banks across the country. The broker, which in recent television advertisements has said "When E. F. Hutton speaks the world listens" certainly assured that this was the case yesterday. In one of the largest fraud cases ever handled the Justice Department announced that E. F. Hutton had agreed to pay some \$3 million in fines on no less than 2,000 criminal charges.

The Justice Department said last night that the essence of the charges against E. F. Hutton was the "intentional writing of cheques in excess of the funds it had on deposit in various banks."

It said some \$4 billion of transactions were involved, some 400 banks and that Hutton had agreed to establish a special fund to make restitution to those financial institutions which have suffered losses.

Most of the current criminal settlement stems from investigations conducted last year which began in June, 1980, and continued through February, 1982.

pered the E. F. Hutton scheme as a "cheque fraud" under which Hutton withdrew funds from accounts arbitrarily irrespective of the amounts of its customers' funds it had deposited.

Hutton's latest troubles come on top of a court settlement under which it and other securities firms agreed to pay customers some \$140 million for losses they sustained in the collapse of Baldwin United. Hutton's share was \$24 million. The firm said yesterday that it had already provided for all the restitution it will have to make from the separate fraud scheme involving 400 banks.

The closure of Wells Fargo's London and New York operations, together with its six representative offices in Manila, Madrid, Taiwan, Bangkok, Kuala Lumpur and Jakarta represent a major withdrawal from the international financial markets. The decision took Wall Street and the foreign exchanges by surprise despite recent rumours of losses of up to \$30-40 million being incurred.

The combination of yesterday's events together with recent problems in the Ohio banking system and at government securities brokers is likely to add to serious nervousness about the US financial markets.

The dollar lost a cent because of the stories which flew round after the suspension of E. F. Hutton shares.

## State's stake in Britoil for sale

By David Simpson, Business Correspondent

THE GOVERNMENT revealed yesterday that it is to cut its direct interests in the North Sea yet further this summer by selling off its remaining 44.1 per cent stake in Britoil, the former state oil corporation, to raise almost \$500 million.

With the elimination of the government holding in Britoil, the only real involvement the public sector will have in the North Sea is a 7.7 per cent stake in British Petroleum which the Government is already pledged to sell.

The news of the sale of the Britoil holding was broken by the Chancellor, Mr Nigel Lawson, in a written parliamentary reply.

The announcement came just one day after the Treasury had unveiled the terms under which it is selling the balance of its holding in another former state corporation, British Aerospace, to raise \$263 million towards its 1985/86 funding programme.

The unexpected news that the Britoil sale is to take place this year casts further doubt on the plans to privatise British Airways in the current fiscal year.

The sale, already postponed from February because of the legal actions brought by the liquidator of Laker Airways, would almost certainly take the government well over its 1983-4 funding target as a result of the decision to "sell off" the Britoil stake.

The Treasury is committed to raising \$1.5 billion from public assets sales this year and, apart from Britoil and British Aerospace, already has \$1.2 billion from the second tranche of the British Telecom flotation, due next month.

A number of other disposals are already in train, including the sale of the National Bus Company which is forecast to raise \$400 million, and the remaining warship yards which could raise \$150 million.

The sale of the Britoil holding to the asset sales already announced takes the government funding right up to its fiscal year target, without any contribution from EA which is valued at \$1 billion.

Yesterday, Britoil's market share price stood at 218p, only 9p above the 1982 offer price, and unaffected by the Chancellor's announcement.

The new plant at Irvine will produce potassium clavulanate, the patented compound which surrounds the active ingredient of the antibiotics so that they can destroy bacteria before the bacteria's own enzymes make them inert.

Beecham's decision to expand in Scotland follows a similar move by Glaxo, Britain's most profitable drug company, to enlarge its production plant in Dundee. Both investments contrast sharply with claims by foreign drug firms that they will wind down involvement in the UK because of the drug's weak sales and "outdated" list of prescription medicines.

Beecham is already developing a new antibiotic with stronger inner defences that could make the potassium clavulanate ring obsolete for some treatments.

## PCW names face £60m bill

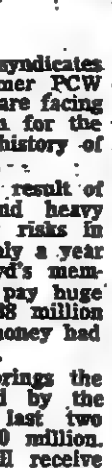
By Mary Brasher

Lloyd's names on syndicates managed by the former PCW underwriting agency are facing a bill of £60 million for the worst losses in the history of the insurance market.

The losses are the result of bad underwriting and heavy exposure to liability risks in the US, but only a year after the same Lloyd's members were asked to pay huge cash calls because £38 million of the syndicates' money had been misappropriated.

The latest crisis brings the total losses reported by the syndicates in the last two years to nearly £100 million. Individual names will receive letters this morning asking them to pay up to £500,000 by the end of June to meet claims. A few members face even larger bills because they participated in more than one syndicate.

The problems of the agency, now renamed Richard Beckett Underwriting Agency (RBUA), are likely once again to jeopardise Lloyd's ability to pass its annual Department of Trade audit. Lloyd's has extended the deadline by which names must show themselves solvent from the end of May to at least the end of July, but still faces de-



Minet's Ray Pettitt

faults by some names as a result of the substantial RBUA cash calls.

The problem is likely to continue running well beyond this summer as indications are that the 1983 and 1984 years of account will also show horrendous losses. In order to curtail its own exposure to the difficulties of RBUA, the agency's owner, Minet, said yesterday that it was shutting RBUA down at the end of this year.

The 1,500 names on syndicates managed by RBUA will have to be transferred to new agencies, although as yet none has been found willing to take them on.

Minet has charged \$8.3 million against its 1984 results for the costs of running the agency down and in provisions for any litigation Minet chairman Mr Ray Pettitt said the group has no liability for the PCW affair. The charge (made below the line, produced a net loss for the year of \$1.5 million for Minet although the

group pushed pre-tax profits from its mainstream broking business up from £20.4 million to £23.3 million.

RBUA is now trying to assess the extent of losses since 1982 and will be reporting back to names later this month. The syndicates concentrated on risks like asbestos and pollution where damages awarded recently in the US have been high. In 1983 and 1984 as in previous years about half the syndicates' business came from US liability.

Angry names who were forced to sign away their rights of legal redress in order to have their losses funded by Minet last year are also looking carefully to see if there is any evidence of overwriting or poor reinsurance protection agency down and in provisions for any litigation Minet chairman Mr Ray Pettitt said the group has no liability for the PCW affair. The charge (made below the line, produced a net loss for the year of \$1.5 million for Minet although the

order. The balance of £30 million of the cost of the contract was to have been provided next year.

Foreign Office officials made it clear yesterday that it might prove impossible to agree replacement contracts with India on which the £45 million could be spent, and that it might thus be withdrawn.

An immediate row broke out between the two nations following Mr Gandhi's statement to the Upper House of Parliament that the WC30 was not up to India's requirements, and that no letter of intent to buy the helicopters had ever been signed.

A spokesman for the British High Commission in Delhi, Mr Ronald Nash, disputed Mr Gandhi's contention that there had been no letter of intent and that conditions laid down by India had been met in full.

The cancellation of the contract puts even more strain on Westland, the recipient of an \$88 million "order" bid from a consortium of businessmen and institutions earlier this week.

Two WC30 helicopters built specially for India are already completed, with three more well into production, and Westland, already heavily overburdened, must now try to find alternative purchasers for the helicopters.

A spokesman said yesterday, however, that it was unlikely that any immediate redundancies would be introduced among the group's 11,000 workforce as a result of Mr Gandhi's decision, but the cancellation of the Indian contract, and an expected decision by the Ministry of Defence that the WC30 does not meet its needs, means that large scale job losses appear inevitable.

## NEWS IN BRIEF

### Imported drinks in favour

HOME PRODUCED spirits such as whisky and gin are losing sales to imported high-strength drinks, especially rum and brandy, according to figures from the Wine and Spirit Association. The imported products finished 1984 4.2 per cent ahead of 1983's total, while the home produced sector dropped by 2 per cent.

Among home produced spirits only vodka showed an increase.

The Brewers' Society said yesterday that beer production in March was up by more than five million pints.

ABOUT 400,000 shareholders are now thought to have sold the British Telecom shares they bought last November, the junior industry minister, Mr John Birtcher, said yesterday. But about 81 per cent of those originally allotted shares at BT's privatisation are believed to have held on to their stakes, he said in a Commons written reply.

THE MINISTER for small business, Mr David Trippier, said yesterday that micro-electronics was not only a realistic option for small firms in their products and production processes—it was becoming a vital necessity. He said that only 28 per cent of British firms' sales between 20 and 50 employees used the microchip to automate production.

## WEEK-END MONEY

IS BRITISH Aerospace a good point for small investors? The first-time shareholders who rushed in to British Telecom may be tempted to do the same with the latest government sell-off. Weekend Money tomorrow advises on the best course of action.

THE MANAGEMENT consortium at the Brooke Marine shipyard, Lowestoft, has been successful in its offer to buy the company from British Shipbuilders. The terms of the purchase provide for an initial payment of £100,000 plus 1 per cent of the proceeds of specified potential export contracts within three years of the sale, and of any other significant contracts obtained within one year of the sale.

THE AMERICAN computer group Sperry yesterday introduced in Britain the Unix operating system as an option on all its computers, from the smallest micro to the biggest mainframe. It is the first big manufacturer to do so. Unix, the property of AT & T, destroys the traditional barriers of the industry enabling makers of different makes to talk to each other.

## Inchcape rides high on trade with China

By Andrew Cornallius

Inchcape, the London-based international trading group, is beating the Japanese at their own game, by taking a healthy commission on sales of Toyota cars to China.

Using contacts with China first developed during the last century Inchcape is cashing in on the new trading opportunities which have been created in the fast-growing free trade zones which have been established in southern China.

Last year Inchcape increased its two-way trade with China by 25 per cent to \$100 million. Apart from selling thousands of Toyotas through its Hong Kong motor business, Crown Motors, Inchcape also made handsome commissions by acting as a "middleman" for British companies wanting to do business in China.

Mr Dick Chen, who heads Inchcape's China trades, last year helped Short Brothers, the Belfast aircraft manufacturer, negotiate a \$30 million order and is now working for Unilever, which is keen to

build a new detergent works in China.

Other Inchcape companies buy rice, textiles, and household goods from China and sell them overseas.

Sir David Orr (formerly chairman of Unilever) and George Turnbull (previously with Talbot), the new management team at Inchcape, are excited about the possibilities of using the group's know-how to boost trade with China.

Sir David headed an Inchcape trade mission to China last year which should result in contracts to modernise and manage ports.

"We have got a jolly good team, originally based in Hong Kong, which acts for companies which do not have the means to open doors in China that we have," he says.

Inchcape's 1984 results, announced yesterday, reflect the growing importance of the Chinese trade and also the tough measures taken by the new management to rationalise the group. Pre-tax profits reached £78.9 million, against £53 million the previous year.

## Beecham builds up

By our Chemicals Correspondent

Beecham, the UK pharmaceutical and consumer products group, yesterday announced a \$40 million investment at its existing antibiotics complex at Irvine in Scotland.

The decision marks the single biggest investment in new plant of any kind that Beecham has made in the world. The facilities, which will create 160 permanent jobs, are being built by UK construction groups — John Brown and Humphreys and Glasgow — and will be completed by 1987.

Beecham said yesterday that it needed the increased capacity to cope with worldwide demand for its two latest antibiotics — Augmentin and Timentin — which are enjoying strong growth in the United States after a slow start among British doctors.

The new plant at Irvine will produce potassium clavulanate, the patented compound which surrounds the active ingredient of the antibiotics so that they can destroy bacteria before the bacteria's own enzymes make them inert.

Beecham's decision to expand in Scotland follows a similar move by Glaxo, Britain's most profitable drug company, to enlarge its production plant in Dundee. Both investments contrast sharply with claims by foreign drug firms that they will wind down involvement in the UK because of the drug's weak sales and "outdated" list of prescription medicines.

Beecham is already developing a new antibiotic with stronger inner defences that could make the potassium clavulanate ring obsolete for some treatments.

## Fleet fires broadside at United

By Maggie Brown

Since 1981 UN has spent \$150 million, mostly on the goodwill of new titles and magazines, taking shares in issue from 14.5 million to 73.8 million. It also says that the suggested price United might be prepared to pay — it has not made known its outline terms formally — of around 200p a share points to a "serious misunderstanding."

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

Fleet and its advisers, Kleinwort Benson believe a fair takeover price with a premium for control could be well in excess of 400p a share.

Mr Ian Irvine, Fleet's managing director, said that the situation Fleet finds itself in is "unsatisfactory and irritating." United has made no formal takeover offer, which could be formally opposed or indeed lapse within a set period of time.

Instead, it has asked for its approach to be vetted, under the automatic referral procedure governing merging newspaper companies: this examination will last until July 25, at the earliest, pushing a takeover bid into the autumn.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

Fleet and its advisers, Kleinwort Benson believe a fair takeover price with a premium for control could be well in excess of 400p a share.

Mr Ian Irvine, Fleet's managing director, said that the situation Fleet finds itself in is "unsatisfactory and irritating." United has made no formal takeover offer, which could be formally opposed or indeed lapse within a set period of time.

Instead, it has asked for its approach to be vetted, under the automatic referral procedure governing merging newspaper companies: this examination will last until July 25, at the earliest, pushing a takeover bid into the autumn.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

## ROFs £180m richer

By our Business Correspondent

The terms of the sale of the government-owned Royal Ordnance Factories must reflect a Treasury decision to allow the factories to be distributed to future private shareholders, the Comptroller and Auditor General ruled yesterday.

This decision, made when the status of the ROFs was changed in preparation for privatisation, clearly enhanced their marketability, Sir Gordon Downey said.

In a report on the incorporation of the ROFs, Sir Gordon points out that the real assets of the factories at present are only £80 million, and that the valuation put on the shares when they are sold off should therefore reflect expected profits and dividends. The decision to allow the factories to be distributed to future private shareholders, the Comptroller and Auditor General ruled yesterday.

The ROFs management has already been instructed to prepare the factories for privatisation by the end of this year.

The ROFs management has already been instructed to prepare the factories for privatisation by the end of this year.

The ROFs management has already been instructed to prepare the factories for privatisation by the end of this year.

## BNOC lifts oil price

By James Ertlichman

The British National Oil Corporation stepped into the market yesterday to increase the ket of North Sea crude on the very day that the government published its bill to abolish the state-owned oil company.

BNOC announced that it was raising the May price to the current of Brent crude, from \$27.50 North Sea marker, to \$27.90.

Stockbroker Grierson Grant recently reported that production had been held back a day in 16 million barrels. And Mr Paul the first quarter oil analyst for Speeding, expects "North Sea prices to fall to \$27, or below in June."

The bill to abolish BNOC provides for the establishment of the Oil and Pipelines Agency as a small successor to BNOC. It will maintain the rights which BNOC currently holds under participation agreements to opt to purchase petroleum, so as to ensure security of oil supplies, if necessary.

The new agency will be responsible on behalf of government for the disposal of all the oil companies operating in the North Sea.

The agency will have a board of seven, three and five members, says Kenneth Vaughan, chief executive of the agency.

Mr Vaughan says BNOC's ability to fund its operations

## ICI chief backs square pegs

By James Ertlichman, Chemicals Correspondent

Britain's most outspoken and irreverent industrialist, Mr John Harvey-Jones, declared a "maverick charter" yesterday for all the other square pegs who refuse (like himself) to be rammed into the round holes of the corporate workplace.

Encourage their eccentric energy and the British will pull in harness to move industrial mountains, the chairman of ICI said. But force them to conform to corporate convention and they will, in defiance, use their talents to undermine the plans of their bosses.

Only last week Mr Harvey-Jones was the darling of many Conservative industrialists when he dared, in speaking to

a select committee to the House of Lords, to voice their shared criticism of the Thatcher government for its unwelcome respect of Britain's industrial base.

They may be less enamoured of his latest riposte which is aimed directly at their own sideboard failure to create within their own companies a climate of common purpose and consent.

It came in a signed article in Management Now, the journal of the British Institute of Management, which is sent to over 75,000 businessmen in Britain.

"We need to ask repeatedly whether the effect on our people is to get them willingly and freely to accept the challenge or to turn their wit, inge-

nuity and energy to defeating the intent of the systems with which we seek to manage them."

Fine words of the business school variety, perhaps, but Harvey-Jones did not stop with platitudes. "If one of our women employees has an unwell child," he said, "it should not be beyond the wit of our organisation to ensure that she can look after it. ICI employs 8,000 women in the UK alone and a company spokesman later said that sympathy for family problems extended equally to ICI's 50,000 male employees.

"If people prefer to work part-time rather than full-time, if some people prefer to work in the middle of the day, if some people wish to travel ex-

tensively, surely any organisation worth its salt should be able to accommodate this," Mr Harvey-Jones added.

Many employees forced to do unenjoyable jobs merely turned their energy and imagination to their personal pursuits after working hours. But unleashing this potential could, the ICI chairman admits, have some frightening and unintended consequences.

"If we actually managed to release the potential of our people would we in practice be able to handle the stresses and strains that would occur? Leaving aside the fact that we would find that almost certainly we were employing far more sheer numbers than we need to achieve our objectives."

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.

United's part of the full extent and strength of Fleet's business and shareholding is worth 154p per share.



# Can we cope with oil's decline?

THE UK's economic recovery was sustained in 1984, despite the depressing effects of the miners' strike. However, the economy now faces two new challenges. North Sea oil production is close to its peak and will soon start to decline. World trade is set to grow much more slowly in the next two years. How will the UK cope with these problems?

The Item Club met recently to consider this with the aid of the Treasury's model of the UK economy. It concluded that while there is a good chance of continued growth in domestic demand, accompanied by a modest decline in inflation and lower interest rates, this dual challenge to the UK's trading position will gradually sap the strength of the recovery.

In 1984 the UK economy grew by 2½ per cent, the third year in succession that growth had exceeded 2 per cent. This was a particularly creditable performance when the effect of the miners' strike, which knocked around 1 per cent off GDP last year, is taken into account.

In addition, the dispute added around £3 billion to the import bill, yet the balance of payments stayed in surplus. Less tangibly, the strike may have dented business confidence, and added to the pressure on sterling. But despite the gradual decline in the exchange rate, which pushed up import costs, inflation ended the year below 5 per cent.

At the end of 1984 there was growing optimism that, given a resolution of the coal strike, the UK recovery would enjoy a further year of stable inflation and declining interest rates. This would give the Government

With oil production likely to start falling after the end of this year, mounting problems are envisaged for the economy according to the latest Item Club forecast, interpreted by Mark Cliffe, Don Franklin and Rob Marshall

greater leeway to tackle the high and still rising level of unemployment.

This year was less than a month old before the balloon burst. A run on sterling threatened to endanger the Government's hard-won gains in the battle against inflation. Interest rates were raised sharply to restore confidence in the currency. The Budget, although billed as a "Budget for Jobs", was framed in such a way as to reaffirm the Government's anti-inflationary zeal, and hence its anxiety to avert another downward lurch in sterling. The tax cut of only £750 million compared with earlier expectations of as much as £3 billion.

Sentiment towards sterling was transformed. With the invisible dollar at last beginning to fall back on signs of weakness in the US economy and financial system, sterling recovered strongly. This allowed UK interest rates to edge down again, a process Item believes will continue.

Coupled with the firming of sterling, this should allow inflation to fall, following a temporary jump to over 6 per cent in the second quarter of this year, to under 4

per cent in the first half of 1986. Inflation is also helped by the world picture of slower growth and the resultant dampening effect on oil and commodity prices.

Falling inflation boosts consumer spending power, and it is this which is the principal support for growth in the next 12 months, offsetting the depressing effect of higher interest rates and the tighter budget. Growth in 1985 is also boosted by the improvement in oil trade following the miners' strike and reasonable export growth stimulated by the currently buoyant world trade.

However, other components of demand are expected to weaken. The surge in capital expenditure in 1984 may prove to have been exceptional. It followed a rapid rise in company profits and probably reflected, in part, a catching up on replacement deferred during the recession plus some pull forward of spending to beat the phasing out of capital allowances.

Recent business surveys point to slower investment growth in 1985 and 1986. Stockbuilding is expected to remain subdued and the Gov-

ernment is aiming for lower public spending growth.

By the next budget there should be clear evidence that growth is slowing. The Chancellor is committed to maintaining adequate growth in money GDP: this would imply a major stimulus in the 1986 budget.

The trouble is that any attempt to maintain monetary demand in any environment of slowing world trade and declining oil production will inevitably lead to balance of payments difficulties.

World trade is expected to slow significantly in 1985 and 1986 as a consequence of declining US growth and an inadequate response to this in the rest of the world. And with the UK's major trading partners continuing to enjoy success in reducing inflation, it will be vital that UK exporters strive to remain competitive.

Sterling's recovery, good news for inflation, is a setback for competitiveness. Item expects UK export growth to decelerate sharply from 6 per cent in 1984 to around 2 per cent by 1987 as a result.

North Sea oil output is expected to fall from a peak of 2.25 million tonnes in 1985 to 1.10 million in 1987. Over the last three years oil has boosted the trade balance by an extra £3½ billion each year; over the next three years it will depress the visible account by about £1½ billion per annum, even if the oil price is maintained.

One way to maintain mon-

etary growth, while averting a balance of payments disaster, would be to encourage rapid depreciation of sterling. This would enable UK producers of tradable goods and services to increase market share, so compensating for falling oil revenues and the weakness of export markets. The danger is that the benefits of a lower exchange rate will be frittered away in increased prices and wages. Growth in money GDP would only have been achieved by means of higher inflation, with little benefit to real growth or to the balance of payments.

This danger is clearly dominating government thinking. At the moment it appears to be attempting to hold sterling at current levels, and not allow even the gentle depreciation assumed in Item's central forecast.

With this in mind Item simulated on the Treasury model the consequences of pursuing a strong exchange rate policy, while at the same time allowing the Chancellor to attempt to maintain demand growth by a large tax cut of £5½ billion in 1986. Even this proved insufficient to prevent growth slipping to below 1 per cent by 1987, while the balance of payments moves into a deficit of £3 billion in that year.

If the Government is not to attempt to maintain growth by a weak exchange rate, it must be pinning its hopes on the effectiveness of its "supply side" policies.

Improving the operation of the labour market has become a central pre-occupation. Recent measures such as the changed structure for national insurance and amendments to employment protection law and wages councils are designed to improve flexibility, work incentives and reduce pay rises.

Similar thinking lies behind the Government's aim to cut income tax. Consequently, the scope for such micro-economic reforms depends in part on the room for tax cuts in the medium Term Financial Strategy.

Item believes that the Government will enjoy greater success in keeping to its spending targets, having built into its plans large contingency reserves of £1 billion and £6 billion in the next two financial years. As a result there may be scope for tax cuts of £3½ billion in 1986 and a further £2 billion in 1987, which income tax, house insurance and corporation tax would account for.

Item's forecast suggests that the balance of payments will rise by around 600,000 in the next two years. However, this is not enough to bring about a sustained reduction in unemployment. Unless the "supply side" of the economy improves more quickly than allowed for by the model, the performance of Britain's external trade will prevent sufficient growth being generated for the jobsless total to decline.

Without pursuit of the high risk option of a sharp decline in the exchange rate, the only hope for lower unemployment in the UK appears to lie with a concerted OECD-wide refashioning. Even the Treasury accepts that North Sea oil output will decline after 1985. Yet there is scant evidence from official statements that the consequences for the rest of the economy are appreciated.

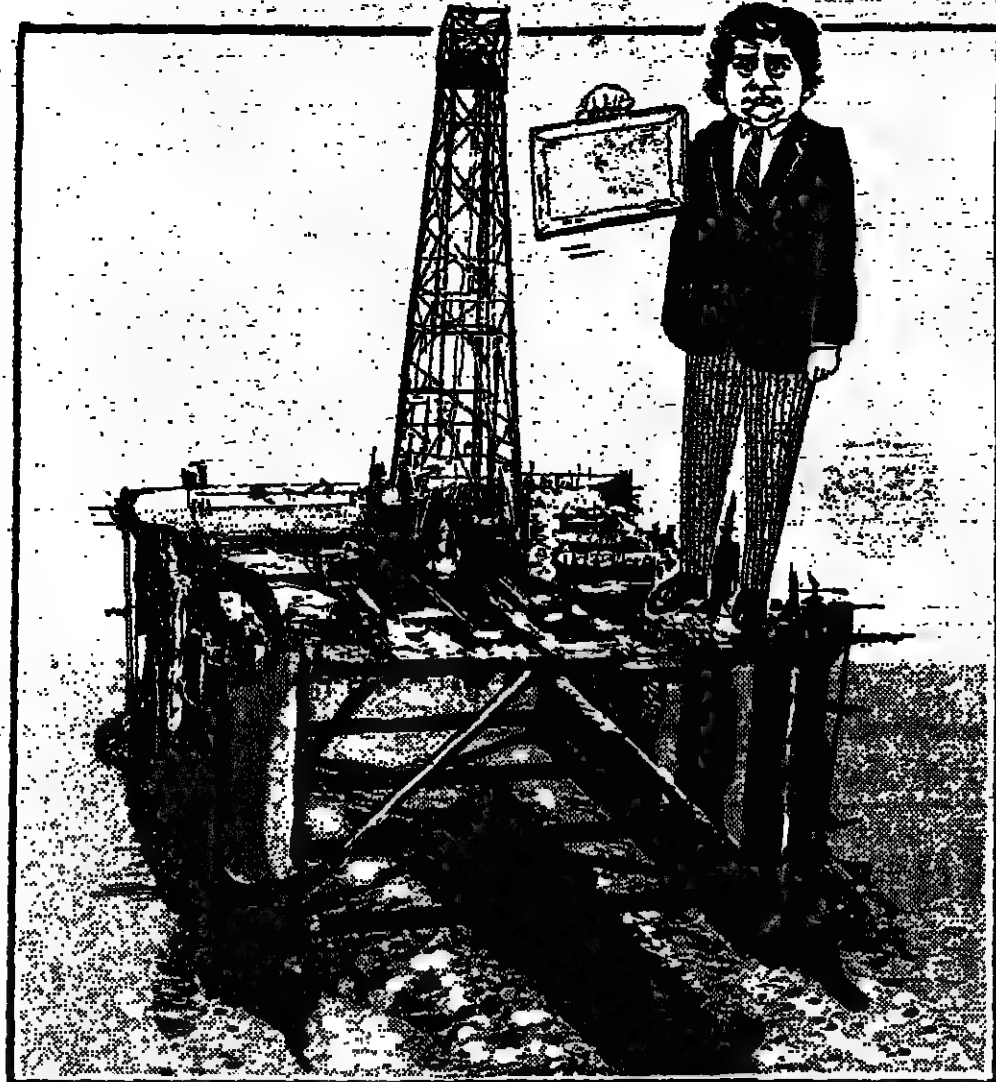
When the Chancellor described the continued growth of the economy since 1981 as "unprecedented" in his budget speech he conveniently forgot that this period also witnessed an equally unprecedented rise in the value of North Sea oil output.

In the period 1981-84 it added 10 per cent to growth, 55 billion to government revenue and £10 billion to the visible trade balance. In the same period the trade balance in manufactured goods moved from a surplus of £4.6 billion to a deficit of £3.8 billion.

From a peak of 125 million tonnes in 1985, oil export output is expected to decline to 110 million by 1987. Even if it is assumed that the current world oil price stays constant in dollar terms and that the dollar/sterling exchange rate remains below \$1.30 (a higher rate would reduce the value of oil in sterling), the contribution of oil to the trade balance will decline from over £2½ billion in 1985 down to £19 billion in 1987.

If the economy grows at 2 per cent a year from 1986 onwards, as the Treasury expects, and this expansion is based on the private rather than the public sector, it is likely that imports of manufactured goods will continue to rise at the current rate of about 8 per cent a year in volume terms but with less oil to pay for them.

The Government may be pinning its hopes on a "supply side" improvement in the economy holding down import growth or maintaining the recent rapid rise in manufactured exports to, so to speak, pay for the imports. Few economists would put much faith in this, and the recent success in exporting can be accounted for by the rapid US led rise in world



trade growth which is not expected to persist. Even if sterling depreciates to bring about some improvement in UK price competitiveness, the non-oil trade deficit is expected to worsen by £2 billion by 1987.

A more likely area for improvement, however, is Britain's invisible balance. We have been more successful at trading in tourism, insurance and other financial services than in manufactured goods. Our surplus in this trade, currently \$4 billion a year, may rise to \$7 billion by 1987.

Britain will also derive increasing benefits from the trend towards heavy overseas investment of the last few years. The net stock of UK overseas assets rose from £23 billion in 1979 to £70 billion in 1984, and this will rise further. The net return on these assets currently contributes £2.5 billion a year to the invisible balance and could provide as much as \$7.5 billion in 1987.

However, the improved invisible balance is not enough to compensate for worsening oil and non-oil trade. The current account is forecast to return to deficit by 1987, for the first time since 1979. And the deterioration is only curbed because Item expects economic growth to flag by 1987, in contrast to the Treasury's projection. A Britain with less oil looks increasingly like a Britain that needs a "supply-side" miracle or a much lower exchange rate.

The world will soon be suffering the consequences of the current slowdown in US growth. World trade rose by around 9 per cent in volume terms last year, but this

was largely due to a near 30 per cent rise in imports into the US, fuelled by a significant rise in domestic demand, and the huge loss of US competitiveness caused by the meteoric rise in the dollar.

Such rapid, unbalanced growth was clearly unsustainable. There is now clear evidence of deceleration in the US. This, plus worries over the soundness of the American financial system, has in the last two months shaken the apparent invincibility of the dollar.

Item expects a continued decline in the dollar as the US becomes an increasingly less attractive haven for international capital.

Weaker domestic demand growth coupled with a falling dollar will lead to much slower growth in US imports. Nevertheless, the damage to the competitiveness of US industry and agriculture by the rise in the dollar will mean that the current account deficit will continue to mushroom. From over \$100 billion in 1984 it may exceed \$190 billion by 1987.

Slower US import growth will take away what was the main reason for the world growth in 1984. Item has analysed the implications for the rest of the world using the Treasury's model of the world economy. The main conclusion drawn is that unless there is a concerted refashioning in the other OECD economies, only sluggish growth is in prospect with OECD unemployment rising a further two million by 1987 to over 30 million. Fear of the inflationary consequences of a collapse in their currencies meant that the rising dollar kept the pressure on governments in

Europe and Japan to hold up their interest rates. But even though the dollar now seems to be heading down, they appear loathe to responding by cutting rates.

Fiscal policies remain restrictive while the dread fear of a resurgence in inflation still prevails and widespread calls for concerted action are so far unheeded. Without such countervailing action economic growth in Japan is likely to slacken as the growth in exports to the US trails off.

Even in Europe, which is less reliant on the US market, there may be only a marginal improvement on the recent 2 per cent annual growth rate.

Financial crisis in the Third World has been eased by the recent surge of exports to the US. With world growth weakening from now on and commodity prices, consequently, likely to remain soft, financial pressure on developing countries will intensify. Like certain Opec countries which are adjusting to lower oil prices and demand, their economies will have to restrain domestic expansion.

All of this is a recipe for a continued decline in world inflation. Even in the US inflation will remain subdued, despite a falling dollar, as it continues to enjoy the disinflationary benefits of the dollar's previous strength.

But despite the progress made against inflation and the consequent ease of unemployment of more sluggish growth, there is little sign of a change in heart by policy makers. Consequently the promise that faster real growth would follow lower inflation shows little sign as yet of being realised.

The Item Club is a group of practising economists from the private and public sectors which uses the Treasury model of the UK and world economies to produce quarterly economic forecasts that are not designed to support any particular theory or policy prescription. The club operates in association with Sclcon, the BP computer services business (for further information contact: Rob Marshall, 01-580 5599 ext. 2746).

## London and Manchester Group plc

Extracts from the statement by the Chairman, Mr H L K Browne, F.C.A., on the Group Report and Accounts for 1984

I referred in my statement last year to the likely effects of the withdrawal of Life Assurance Premium Relief (LAPR) from new business and the intention to introduce newly designed contracts to meet clients' needs in the changed circumstances. While the loss of LAPR has undoubtedly had some effect on new business figures, particularly in the industrial branch, the overall results for 1984 now before you reflect, I believe, a very satisfactory response to a challenging year.

**Consolidated Profit and Loss Account and Dividend**  
Income has been received from London and Manchester Assurance by transfers of £4,011,000 from the main life funds and £1,350,000 from the investment trust retirement annuity fund. The transfer from the main life funds includes a first contribution of £100,000 from surplus emerging within the segregated fund of mainly linked life business introduced through the life broker division.

The general branch loss after tax amounted to £486,000. The consolidated profit and loss account also includes the Group's share of the profit of the new associated company, London and Manchester (Mortgages) Limited of £277,000 and, for the first time, a transfer from the long term fund of London and Manchester (Pensions) Limited, amounting to £175,000.

Investment income for the year fell by £39,000 to £1,058,000 following the transfer of invested assets from the shareholders' funds arising out of the purchase of London and Manchester (Pensions) Limited by the holding company on 31 December 1983.

After setting off the expenses of management and taxation there remains a balance of £5,791,000 which has enabled your Board to recommend a final dividend of 14.00p per share (1983 11.48p). This, together with the interim dividend of 5.81p per share paid in November 1984, makes a total of 19.81p per share (1983 16.48p). After providing for these dividends the balance carried forward has been increased by £1,248,000.

**Bonuses**  
The normal reversionary bonus in the ordinary branch has been maintained at 25.75 per cent of the sum assured while industrial branch bonuses have been improved.

A further step has been taken this year in the development of the complete bonus system by declaring additional reversionary bonuses of 2.50 per cent in the ordinary branch and 2.2 per cent in the industrial branch on reversionary bonuses already declared. The cost of this declaration has been met by the transfer from investments revaluation reserve of £1.25 million to each branch. In addition increased transfers of £4.5 million to the ordinary branch and £3.8 million to the industrial branch have been made to provide for terminal bonuses.

**The Insurance Market**  
The Government's White Paper on self-regulation within the financial sector which was published on 29 January 1985 is likely to have significant consequences for the life assurance industry. Last year I commented on your Board's view of the Registry of Life Assurance Commissioners (ROLAC). Nothing has changed that view and, accordingly, representations have been made on the proposals in the White Paper for the treatment of commissions. It is your Board's opinion that the competitiveness of products and market forces provide a more effective protection for the investor than rules concerning the disclosure or limitation of commissions, mechanisms which can so easily fail to achieve their objectives in such a complex market place. During the year work proceeded on the creation of an Association of British Insurers (ABI) with the intention of unifying the various associations which currently represent insurance companies. Your Board has viewed this development with some concern for it has always considered the Industrial Life Offices Association (ILOA) as particularly effective in representing the home service industry. There is some danger that the larger ABI may be less responsive to the needs of the home service offices and your Board will seek to ensure that under the new structure the interests promoted by the ILOA are actively pursued.

**Home Service Division**  
The year has been one of intense product development in a sector of the market which has often seen the Group introduce innovative products. Moneyplan, introduced in June 1984, is a regular premium contract which offers enhanced investment returns for those aged 50 and over. The Preferred Portfolio Plan provides a choice of investment funds and has already proved popular with those clients who have lump sums to invest. Other contracts which were introduced during 1984 included a savings plan for the young investor and a personal retirement contract for the self-employed offering long-term flexibility. The latter, known as The Independent Pension Plan, has achieved excellent results to date. The prospects for 1985 are already very encouraging with a successful start to the annual sales competition and the increasing effect of the new product range.

**Life Broker Division**  
In 1984, new annual premiums increased by 27 per cent and single premiums, at over £20 million, were up by 41 per cent. In addition much has been done to expand the range of intermediaries who support the division.

The unit-linked Investment Mortgage Plan proved to be the success of the year whilst High Five was one of the first plans to be launched specifically to provide maximum investment over the shorter term. In addition, two new retirement plans, one for the self-employed and the other for the executive director, were introduced. These Individual Retirement Plans have considerably enhanced the division's competitive position in this sector of the market place.

In 1985, a most significant new development has been the recent launch of Lifespan, a contract which offers a wide range of benefits and flexible premiums in order to cope with life's changing needs.

### Pensions Division

The political environment in which the division operates has been the subject of far more speculation than in recent years and in this climate the division has been well served by the ability of many of its existing contracts to meet the changing needs and obligations of employers. To this range the Total Pension Plan was added during the year. The plan is a unique money purchase scheme which meets the needs of both large and small employers by incorporating a wide range of options. The market received the plan in a very positive manner and it completes a range of products which your Board considers to be highly competitive. In terms of new business, money purchase contracts showed a strong increase in 1984 although total new annual premiums were only 4 per cent up on the previous year. Single premiums were 54 per cent higher than in 1983 at over £12 million and in this respect it was particularly pleasing to see Transplan ahead of target.

During 1985 marketing of the Managed Fund contract will take a greater prominence and this should be helped by the excellent investment performance which has been recorded since its launch.

### General Branch

The introduction of revised contracts and more flexible means of payment have brought their rewards in terms of new business. New annual premiums of just over £1.5 million contributed towards a 21 per cent increase in total premium income for the year to £8.6 million. Hospital Cash Provider Plan, introduced last autumn, is unique within the home service industry. For a modest weekly premium it provides financial assistance in the event of the policyholder or a member of his family entering hospital. To date sales have been ahead of plan and the contract has been very useful in attracting new clients.

**Investments**  
During the year, the main life funds made net investments of £37.4 million in gilts and other fixed interest securities, £5.8 million in property and only £1.6 million overseas. A total of £24.9 million was divested from UK equities.

Corporate activity in investment trusts continued at a high level during the year. The Group benefited from the acquisition of Anglo Scottish by Japan Assets, and of Bishopsgate, London Prudential and Oil & Associated by companies outside the sector. However, the highlight of the year was the successful bid by London and Manchester Assurance for The Nineteen Twenty-Eight Investment Trust plc (1928). Group companies now hold 50.2 per cent of the company with the balance in the hands of individuals and other institutions. Mr Martin Harris has been appointed Chairman and the other directors are Mr David Rowe-Ham and Mr Andrew Withey, with Mr Ian Henderson and Lord Wakehurst nominated by London and Manchester. A new investment policy has been implemented and 1928 now holds a portfolio consisting primarily of investment trust shares. The takeover of 1928 is consistent with the Group's long term interest in investment trusts where total holdings now exceed £230 million.

### Mortgages

In my statement last year I referred to the establishment of an associated company, London and Manchester (Mortgages) Limited, with the objective of advancing money at variable rates of interest with funds supplied by a commercial bank. Such was the success of this operation in 1984 that it became necessary to secure further funds substantially in excess of those originally envisaged. In January of this year there was finalised a transaction whereby £200 million was made available by way of a syndicated loan arranged by a leading merchant bank. Your Board believes that this move has laid the foundations of a business which will produce substantial life and general business for London and Manchester Assurance as well as being profitable in its own right. In its first year of operation the mortgage company has made a satisfactory contribution to Group profit.

### Unit Trusts

Last year I referred to the creation of the Group's first unit trust, London and Manchester General Trust. In December 1984 two more unit trusts, the Income and International Trusts, were launched. Total funds under management now exceed £18 million with a substantial holding being attributable to the policyholders' funds.

**Investment Management Services**  
The acquisition of a controlling interest in 1928 led the Group to establish London and Manchester (Asset Management) Limited, for the provision of investment management and associated services. Drawing on existing resources within the Group the new company successfully took over the full range of services required by the investment trust company and led the Group into a new area of activity.

### Concluding Comments

It has been my practice since I became Chairman to commence my annual statement with a word of appreciation to the management and staff. I shall be retiring at the conclusion of the Annual General Meeting and I feel that on this occasion such expressions would be more appropriate at the end of my report. I wish therefore to record my very sincere thanks to the management and staff, both at Chief Office and in the field, for their support, co-operation and friendship not only during 1984 but throughout the period that I have had the honour and pleasure of serving the Group.

My colleagues on the Board have been particularly encouraging and understanding and I am most grateful to them for their support and advice. I am delighted that they have appointed Mr John Thomson to succeed me. Mr Thomson has been a director since 1974 and a Deputy Chairman for the past two years. He brings with him not only a wealth of commercial experience but also a strong commitment to the expansion of the Group and I wish him every success in his new responsibility.

### THE ITEM CLUB FORECASTS FOR THE WORLD ECONOMY

GDP growth % pa	1984	1985	1986
USA	2.2	3.8	2.6
Japan	5.7	5.2	4.2
West Germany	2.6	2.7	3.0
France	1.8	2.0	1.7
OECD average	5.0	3.5	2.8
Inflation % pa	1984	1985	1986
USA	4.3	3.0	2.5
Japan	2.3	2.7	2.0
West Germany	2.4	2.5	1.7
France	7.7	5.8	2.5
OECD average	4.5	3.6	3.0



Forward bookings indicate that 1985 will be an excellent year with virtually all our hotels budgeting record levels. This, in conjunction with improved financing and a full contribution from hotels acquired in 1983, leads the Board to believe that substantial growth this year is assured.

### Our trading highlights

- Record profits - £6,580,000 in 1984, up 47%.
- Dividend increased by 20%.
- Earnings per share up 41%.
- Further hotel acquisitions in hand.
- Now 60 hotels in the Group.
- Convertible Preference issue creates opportunities.

## Queens Moat Houses

For a copy of the 1984 Report & Accounts write to: Company Secretary, Queens Moat Houses P.L.C., FREEPOST, Romford, Essex RM1 2BR.



# It's simple...if you want to get ahead just go Green

THE WORLD leaders, in Bonn today for the economic summit, are not just visiting Europe's largest economy. They are in a country where the post-war vigour that went into building an exporting powerhouse is now colouring industrial policies bright green.

West Germany, the locomotive of Europe, is emerging as the Continent's most environmentally conscious nation, pursuing crusades against acid rain, car exhaust poisons, polluted surface water and North Sea chemical waste dumping with dogged conviction.

The "greening" of Germany, perhaps not yet fully understood here, is opening up major new markets for its industries, creating an immediate \$4 billion investment stimulus, and giving its companies a head-start in new export markets following in Germany's wake. If you want to get ahead, it seems, go Green.

But first, two signs of the times. Lunch-time in a sleek Frankfurt restaurant. The plump German businessman stops midway between mouthfuls of langoustines and points his fork at me. "We feel we are in the middle of Europe, and are getting all its fifth. And as for you British, you are the dirty men of Europe."

Next day, at a Bonn government department, overlooking the fast flowing Rhine (another environmental crisis here, has bank straightening led to flooding?) a high ranking official drops his carefully prepared brief on environmental pollution policy and says: "West Germans are not able to understand the British position. We think they think

Maggie Brown on how West Germany is emerging as the leading environmentalist



'And as for you British, you are the dirty men of Europe'

only of themselves. We say our country is in real danger, and the rest of the European Community have a duty to help us."

By the British position, he means the UK's much criticised failure to join the 30 per cent club of 18 European nations committed to phased cutbacks in sulphur dioxide (SO<sub>2</sub>) emissions contained in waste fumes from coal and oil-fired power stations, and blamed for acid rain and consequent wide-scale destruction of forests; also Britain's key role last month in blocking — until 1993 — radical German-led moves for swift EEC-wide action to clean up car exhaust fumes.

This then is the mood of the country...even before I strayed into the strange Small is Beautiful orbit of one of the 28 radical Green Party representatives who have been forcing and keeping the environment to the front of Bundestag agendas. In 1983 West Germany, in contrast to the UK, imposed

unilaterally the toughest emissions standards existing in the world on its power industry. This, in response, is now immersed in the business of placing contracts and installing the largest clean-up programme for sulphur dioxide emissions seen anywhere. The target is to remove 85 per cent of the pollutant from large existing stations by 1988.

In effect, this means placing contracts, 72 to date, for treatment plants which are going to cost 10 billion marks (£2.6 billion), affecting 37,000 megawatts of largely coal generating capacity. The remaining power stations deemed not worth "retrofitting" is being given (in some cases) premature retirement by 1993. There has been little detectable government subsidy.

Progress is being monitored at the stark grey aluminium offices in Frankfurt of the VDEW, the union of German Electricity Plants, the country's nearest, though less monolithic, equivalent of

the UK's all-powerful Central Electricity Generating Board.

Manfred Hildebrand thinks the targets will be met and exceeded, that members — braced for further restrictions — will be cleaning perhaps 90 per cent of the pollutant by the deadlines. There is scepticism about whether the programme, cutting two-thirds of the 1.55 million tonnes of sulphur dioxide pumped annually into the atmosphere, will cure the "wood sickness."

"But we supported the moves eventually because we got clarification on what was allowed. It ended a decade of uncertainty. But we said, German industry will have to pay for this, consumers will have to pay. It is very cost intensive..." Herr Hildebrand shrugs and sips his coffee then adds: "...Every country has its priorities. Germans love their woods."

The bills are coming in. The VDEW estimates that electricity prices will rise by 7.3 per cent in the next four years, to

1988-9, to pay for the investment.

But its compliance is in turn a part of an integrated national energy policy, in which coal provided by long-term contracts, will provide two thirds of the VDEW's primary fuel needs. Half of this coal is standard hard coal, the type mined in Britain. But the other half is lignite, brown coal, whose sulphur content is quadruple that of the hard stuff...

The generating industry is now gearing up for an equally determined programme to cleanse power station emissions of nitrogen oxides, also formed during combustion and blamed for contributing to atmospheric and plant life damage. The VDEW estimates a further 5-7 billion marks (up to £1.8 billion) will have to be spent before the 1990s on these cheaper catalyst-based controls. Its members have 60 test plants already, and three fully scaled up units in S. Germany, the most densely forested area.

The move towards cleaner cars, which for West Germany means installing catalytic converters to cut out virtually all poisonous emissions, is further expected to be a "powerful impulse" securing the competitive position of the German motor industry within Europe, creating 20,000 new jobs manufacturing and fitting the new component, plus 3,000 jobs for specialists' engineers.

Frankfurt-based Degussa, last month, announced a major expansion of a catalyst output. Britain and British Leyland may favour the redesigned "lean burn engine", not yet a fully commercial proposition, in tackling car emissions but the expectations of Bonn's Economic Ministry is that by the start of 1987 one million new cars, 40 per cent of West German annual output, will be "clean", half using diesel fuel, half fitted with catalytic converters.

And although Bonn's forced compromise at Brus-

sels was that a reduction in emissions would only take effect from 1993, officially, the Economics Ministry shrugged that aside and said: "I promise you that it will be a reality by the end of the 1980s." The government plans to lead the propaganda drive, even if proposed financial incentives are somewhat curbed, to make sure change is driven through.

But to return to the major programme, sulphur dioxide cutbacks. What has been its business impact? Four German processes have emerged from almost 200 potentials, and an analysis of the 72 orders placed so far shows the lion's share of business going to seven companies: Deutsche Babcock, Bischoff, Thyssen, Lurgi, Steinmüller, Cottrell, Fakt (Swedish) and Davy McKee (British). The majority of German solutions, or those licensed from Japan, produce gypsum, a powder used to make plasterboard, though it is now in surplus, as landfill. But there is a crumb of

comfort here for Britain. Davy McKee won the last four big contracts, including the politically sensitive contract for Buschhaus, a lignite-burning plant which was the object of a national Green crusade.

Its process, called Welkman Lord, and designed from its Frankfurt engineering offices — where it has taken on an extra 100 engineers to handle new work — has the special distinction of being the one backed and recommended by Greenpeace, the international environment action group, because it is essentially regenerative. The end product is saleable: pure sulphur or sulphuric acid, not landfill. (Sulphur is a key element in fertilisers. Europe has a one million tonne shortage and Britain imports 90 per cent of its needs.)

The West-German experts I talked to all expected swift spin-offs in terms of business from other "30 per cent" club countries. East Germany is on the point of placing its first contract with Davy McKee. Czechoslovakia, Austria, Switzerland, Poland, the USSR, all are foreseen.

So far the official statistics point towards the percentage of environmental protection equipment exported by German firms running somewhat above the national average industry export level.

One final point: environmental protection rightly or wrongly, concerns the developed world at present. It is safe business, awarded by companies and countries which are credit worthy and able to pay. 400,000 people, 2 per cent of the German workforce — is already employed in this sector. Green seems to be a good business colour.

Shouldn't Britain be doing something?



Imponderable cost of delays

## Tunnel vision over high cost of tolls

THE brewery lorry making a delivery from Edinburgh to Perth pulls up at the Forth Bridge toll booth and the driver pays out 80p for his crossing. There is not much traffic about so it takes only six seconds before he is on his way again. On the return journey the process is repeated: total cost £1.60 — or so it would seem.

But a close analysis of those journeys over a period of months has shown that the true cost to the company of each round trip across the bridge is almost £5 because of the delays at the bridge and missing accounting problems that system causes. At the other end of the country most lorry drivers, and a growing number of car drivers are using CB radio to check ahead when they are approaching the Dartford Tunnel on the M25. If they hear of congestion and delay, at the tolls they divert to cross the river upstream at the Blackwall Tunnel and bring heavy traffic back into the centre of London.

Nationally, with 96 million toll payments each year, even if there were no delays at the crossings, some £45 million a year is being wasted in just stopping and starting to pay for tolls and a similar amount wasted by companies in the tedium of accounting. It takes an account of the imponderable cost of the delays, which can be anything up to half an hour at the Dartford Tunnel, or the high costs of collecting the fees — 27 per cent of the toll in the extreme case.

The figures sound relatively small and insignificant but toll charges are a thorn in the side of the road haulage industry and once again (having failed to achieve anything in the past) it is lobbying hard for the system to be ended. This time their campaign has led to the whole subject being taken up by the House of Commons Select Committee on Transport.

Speakeading the drive to kill the tollbooth is the Freight Transport Association which has just produced a comprehensive study of the finances of the operation.

The main obstacle to abolition has always been the assertion by successive governments that the cost of the crossing, whether a bridge or a tunnel, has to be paid for, and tolls are the fairest way. FTA questions this, pointing out the lack of rationale in the choice of tolled crossings. Why, they ask, charge a truck 40p to cross the Severn Bridge on the M4 or a pound for the Mersey Tunnel when the M5 crossing of the Avon or the

Blackwall Tunnel is free?

With a few exceptions the system is not even working, they say. The idea that the crossing should eventually pay for themselves depends on the idea that the amount of toll multiplied by the traffic should service the debt and cover running and collection costs, but in most cases the toll charges are way below the breakeven point.

Of the half dozen major tolled crossings only the Forth Bridge and the Dartford Tunnel are breaking even. At the other end of the scale the Humber Bridge would need to charge nearly £48 per crossing for a truck, or £96 for the round trip, compared with the current charge of £15. Obviously charges are settled much more on what the market will bear (before taking the alternative route), rather than the declared objective of paying off the debt.

Abolition, the FTA claims, does not carry any penalty for the Exchequer. "There are no central or local government loans that would have to be repaid if tolls were abolished," states their report to the select committee.

The Government would simply have to service loans but without the help of the toll revenue. The capitalised debt notionally due to the central government would simply be written off because there is no point in the Government paying money to itself.

They could also take over the capital debts outstanding on the crossings that have been financed by local authorities — principally the Dartford, Mersey and Tyne tunnels — on the precedent of the capital debts written off in the past for BR (well over £7 billion at current prices) or the National Freight Corporation (£100 million in 1980).

Meanwhile, the toll system is getting strong official support in the form of £8.5 million being paid by the Department of Transport to enlarge the toll plaza at the Dartford Tunnel in anticipation of the 330 million vehicles which will pass through its portals in the next 12 years and tip about £240 million into its automatic collection buckets, a sum that will pay both the construction and interest charges on the existing tunnel.

But that level of traffic, everyone agrees, will lead to saturation by the end of the decade, so who pays for the extra tunnel to take the overflow?

Geoff Andrews

# RTZ - a balanced spread of activities



RTZ's interests are in natural resource related industries in the three broad categories of metals, industrial operations, and energy. They include the mining and processing of base and precious metals, iron ore and industrial minerals; metal fabrication, engineering, construction materials and chemicals; coal, oil and gas, and uranium production. These interests are held by subsidiary and related companies which in several cases have large public shareholdings.

### Review of 1984

RTZ Group sales and profits, move with economic activity in the UK, Japan, the USA and mainland countries of the European Community. With diversified interests and efficient mines the RTZ Group performed well despite a somewhat stormy business climate.

### Metals

Base and precious metals, with iron ore and steel, produced £347 million of pre-tax profit, of which RTZ's attributable share was £167 million, or 32 per cent of the total.

### Industrial

Chemicals, metal fabrication, engineering and construction provided £280 million of pre-tax profit, with £247 million attributable to RTZ or 47 per cent of the total.

### Energy

These interests comprise oil, gas, coal, and uranium, and provided £174 million of pre-tax profits — £111 million or 21 per cent attributable to RTZ.

### Exploration and Research

Exploration, research and other corporate costs amounted to £131 million of which RTZ's attributable share was £101 million.

### Chairman's Statement

RTZ's profits have continued to improve. Profit before taxation at £570 million was 16 per cent up; net attributable earnings at £211 million were 22 per cent higher. Earnings per share increased by 15 per cent and it is proposed to raise the dividend for the year to 20p per share.

Excellent figures were again produced by the RTZ Borax and RTZ Pillar groups; these, together with the translation gain on converting dollar earnings into sterling more than offset the generally weaker base and precious metal prices, largely responsible for a disappointing performance by CRA in Australia. In southern Africa, Palabora and Kossing benefited from the weak rand whilst in Canada, Rio Algom had a much better year. In the UK, RTZ Metals also suffered from a poorer mix of metal prices but higher oil production and sterling prices enabled RTZ Oil and Gas to advance its profits. RTZ Cement, by

increasing market share, mitigated to some extent difficult demand/price trading conditions.

Although RTZ's profits have increased, the overall return on capital remains unsatisfactory. Substantially improved profitability of our mining interests awaits higher metal prices.

### The strategic direction of RTZ

During the year RTZ restructured its head office and made a number of organisational changes. It now has a smaller executive board who, through the chief executive's committee, provide coherent strategic direction for the Group from the centre without undermining the company's long-standing philosophy of and commitment to decentralisation.

Whilst the last decade has been difficult for the mining industry, RTZ's overall profitability has benefited from the broad spread of our successful industrial and non base metal interests.

Most consistently successful companies have built their success by developing in areas they know well. We see the continued success of RTZ as depending upon our depth of understanding of the changes taking place in mainstream Group businesses combined with an ability to seize new opportunities.

In the future, it is likely that RTZ will expand its industrial and oil and gas interests to develop further the balance of activities, but this does not imply a withdrawal from mining. It is our view that there may be more attractive mining opportunities during the next few years than we have seen in the last decade.

### Outlook

World economic activity should expand in 1985, but not as rapidly as in 1984. Our industrial interests, therefore, may find it hard to maintain the pace of improvement achieved over the last few years. On the other hand, there are prospects that some metal prices may rise which would assist the mining operations. In the energy sector, conditions will remain difficult but our oil and gas interests should continue to progress. Currency fluctuations will again have influence and, in particular, a weaker US dollar may adversely affect reported sterling earnings.

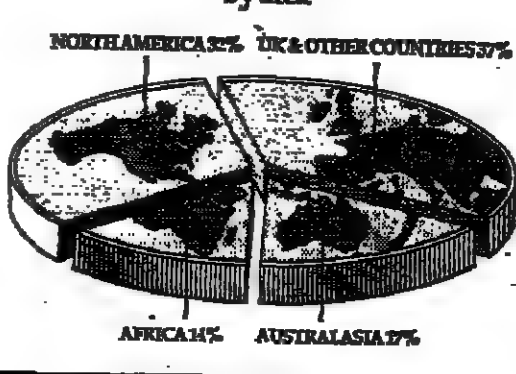
The results achieved in the difficult circumstances of recent years provide a solid base for confidence in the soundness of RTZ Group operations. Their spread and competitiveness are such that we are well placed to create and take advantage of new opportunities.

Alister Frame  
Chairman  
6 St. James's Square, London SW1Y 4LD

### The year at a glance

	1984 £million	1983 £million
Turnover	5,948.6	4,811.0
Proportional equity basis	3,900.0	3,197.0
Profit before taxation	670.3	575.2
Proportional equity basis	424.0	331.0
Net profit attributable to RTZ shareholders	210.7	172.5
Total RTZ shareholders' funds	2,354.4	2,049.9
Total assets employed	7,012.5	6,098.6
Earnings per ord. share	68.03p	59.31p
Dividends per ord. share	20.00p	18.00p

### RTZ's share of pre-tax profit by area



If you would like a copy of the RTZ annual report including Sir Alister Frame's full statement please write to: Central Registration Limited, 1 Redcliff Street, Bristol BS1 6NT

RTZ The Rio Tinto-Zinc Corporation PLC







The Directors of the Company whose names appear in this Offer document (the "Prospectus"), but excluding Mr. C. J. Wells who is severely indisposed through illness, are the persons responsible for the information contained herein. To the best of the knowledge and belief of the Directors (other than Mr. Wells), who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect materially the import of such information and they accept responsibility accordingly.

The application list for the Ordinary Shares now offered will open at 10 am on 10th May 1985 and may be closed at any time thereafter. The procedure for application and a Public Application Form are set out at the end of this Prospectus.

Application has been made to the Council of the Stock Exchange for the new Ordinary Shares now being issued to be admitted to the Official List.

A copy of this Prospectus, which comprises the listing particulars relating to the Company in accordance with The Stock Exchange (Listing) Regulations 1984, has been delivered to the Registrar of Companies for registration as required by those Regulations.

No person receiving a copy of this Prospectus and/or an application form in any territory other than the United Kingdom may treat the same as constituting an invitation to him, nor should he in any event use such application form, unless in the relevant territory such an invitation could lawfully be made to him or such application form could lawfully be used without compliance with any unqualified registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy himself as to full observance of the laws of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required and observing any other formalities needing to be observed in such territory.



# BRITISH AEROSPACE

PUBLIC LIMITED COMPANY

## OFFER

by

Kleinwort, Benson Limited

and

Lazard Brothers & Co., Limited

on behalf of

British Aerospace Public Limited Company

and

The Secretary of State for Trade and Industry

of

146,852,746 Ordinary Shares of 50p each at 375p per share  
200p is payable on application 175p is payable by 10th September 1985

underwritten by

Kleinwort, Benson Limited Lazard Brothers & Co., Limited  
Hill Samuel & Co. Limited Morgan Grenfell & Co. Limited J. Henry Schroder Wagg & Co. Limited

### KEY INFORMATION

The following information is derived from, and must be read in conjunction with, the full text of this Prospectus.

#### British Aerospace

British Aerospace, whose origins can be traced directly to companies which were among the pioneers of the aircraft industry in the early part of this century, is one of the largest aerospace organisations in the world. It is engaged, either on its own or in collaboration with other companies, in the design, development, production and sale of military and civil aircraft, guided weapon and space systems, in electronics and related technologies and in the provision of support services. It is one of the largest exporters of manufactured goods from the United Kingdom.

#### Turnover, Profit and Dividends

	Year ended 31st December 1983	1984
Turnover	£2,300 million	£2,468 million
Profit before taxation	£82 million	£120 million
Taxation	—	£12 million
Profit after taxation	£82 million	£108 million
Earnings per Ordinary Share (net basis)	41.1p	54.0p
Dividends per Ordinary Share (net)	9.1p	13.65p
Orders outstanding	£4,907 million	£4,820 million

#### Offer Statistics

Offer price per Ordinary Share	375p
Market capitalisation before issue of new Ordinary Shares <sup>(1)</sup>	£750 million
Market capitalisation after issue of new Ordinary Shares <sup>(2)</sup>	£987.5 million
Price/earnings multiple on earnings per Ordinary Share of 54.0p <sup>(3)</sup>	6.94 times
Gross dividend yield <sup>(4)</sup>	5.2 per cent.
Adjusted net assets per Ordinary Share <sup>(5)</sup>	439p

#### Payment Arrangements

On application	200p per Ordinary Share
By 10th September 1985	175p per Ordinary Share

#### Notes

(1) Market capitalisation figures have been calculated on the basis of the Offer price.  
(2) The price/earnings multiple has been calculated on the basis of the Offer price and the adjusted earnings per Ordinary Share for the year ended 31st December 1984.  
(3) The gross dividend yield is based on the gross dividends paid and/or recommended in respect of the year ended 31st December 1984 and the Offer price.  
(4) The adjusted net assets per Ordinary Share have been calculated on the basis of net assets at 31st December 1984 adjusted for the net proceeds of the issue of the new Ordinary Shares and on the basis of the Ordinary Shares in issue following the Offer.

### DETAILS OF THE OFFER

On 15th January 1985, it was announced that HM Government and the Company had agreed to make a combined Offer under which HM Government would sell the whole of its remaining shareholding in the Company and the Company would make an issue of new shares.

A total of 146,852,746 Ordinary Shares of 50p each are now being offered at a price of 375p per share, of which 200p is payable on application and 175p is payable by 10th September 1985. Of these shares, 96,852,746 Ordinary Shares, representing 48.43 per cent. of the Company's existing issued ordinary share capital, are being offered for sale by HM Government. The remaining 50,000,000 shares are new Ordinary Shares being issued by the Company. Although the Company has no immediate need for funds, the Board has taken the view that it is sensible to increase its equity base at the same time as HM Government is disposing of its holding of Ordinary Shares. The estimated net proceeds (before selling commissions) of the issue of the new Ordinary Shares of £179.5 million will be used for the longer-term development of the Company's business.

Existing Ordinary Shareholders are being given preferential entitlements to acquire the new Ordinary Shares on the basis of one new Ordinary Share for every four Ordinary Shares held by them at the close of business on 20th April 1985. HM Government has informed the Company that it does not intend to take up its preferential entitlement to new Ordinary Shares. Of the Ordinary Shares being offered for sale by HM Government, 5,000,000 are available for preferential allocation to eligible employees of the Company. To the extent that these preferential entitlements are not taken up by existing shareholders and employees, the shares will be available under the Offer. Further details of the arrangements for existing shareholders and employees are set out in paragraphs 5 and 6 under "Statutory and General Information".

As explained in "Procedure for Application", no allocation or allocations in excess of ten per cent. of the offered Ordinary Shares will be made to any one person or associated persons.

All the 146,852,746 Ordinary Shares now being offered have been underwritten by five merchant banks. Invitations are being made on 1st May 1985 to certain United Kingdom institutional investors ("Priority Applicants") to apply for all of the offered Ordinary Shares. Priority Applicants will each be guaranteed a minimum number of the offered Ordinary Shares, in aggregate not exceeding 55 per cent. of the offered Ordinary Shares. They will also offer to acquire the balance of the offered Ordinary Shares, which will be allocated to them in the event that other valid applications are not received.

Following the Offer, HM Government will hold no shares in the Company except the Special Share. The Special Share does not carry any right to vote at General Meetings and entitles the holder to speak at such Meetings only on matters relating to the rights of the holder of the Special Share. Any alteration of the Articles of Association of the Company relating to United Kingdom control, to the nationality of the Directors and to the Government Director requires the prior consent of the holder of the Special Share. Further details relating to the Special Share are set out in paragraph 7 under "Statutory and General Information".

The offered Ordinary Shares will rank for the interim dividend in respect of the financial year ending 31st December 1985 (but not the final dividend in respect of the year ended 31st December 1985) and will carry the right to vote, subject in each case to registration following payment of the second instalment. If anyone wishes to exercise votes in respect of his offered Ordinary Shares prior to 10th September 1985, this may be done upon early payment of the second instalment and subsequent registration. The rights and remedies attaching to the new Ordinary Shares and to HM Government's Ordinary Shares are referred to in paragraph 5 under "Statutory and General Information" and the arrangements for the allocation of such shares are described under "Procedure for Application".

The Ordinary Shares are offered solely on the basis of the information and representations made herein. No other information given or representation made by any person should be relied upon and no person responsible for this Prospectus, or any part thereof, shall have any liability for any such other information or representations (see paragraph (1) (xiv) under "Terms and Conditions").

#### DEFINITIONS

"British Aerospace"	British Aerospace Public Limited Company and its subsidiaries and/or, as the case may be, their respective predecessors in business, or any of them.
"Company"	British Aerospace Public Limited Company.
"Ordinary Shares"	Ordinary Shares of 50p each in the Company.
"new Ordinary Shares"	The 50,000,000 new Ordinary Shares now being offered for subscription by the Company.
"HM Government's Ordinary Shares"	The 96,852,746 existing Ordinary Shares now being offered for sale by HM Government.
"offered Ordinary Shares"	The new Ordinary Shares and HM Government's Ordinary Shares.
"Offer"	The offers for subscription and sale herein referred to.
"Offer price"	The price of each of the offered Ordinary Shares.
"Special Share"	The Special Share of £1 described in paragraph 7 under "Statutory and General Information".

### BRITISH AEROSPACE PUBLIC LIMITED COMPANY

<b>Directors</b>	<b>Secretary and Registered Office</b> Brian Cookson, LL.B., Solicitor British Aerospace Public Limited Company, 100 Pall Mall, London SW1Y 5HR
Sir Austin William Pearce, C.B.E., Ph.D., F.Eng. <i>Chairman</i>	
Sir Raymond Derek Lygo, K.C.B. <i>Managing Director</i>	<b>Financial Advisers to the Company</b> Kleinwort, Benson Limited, 20 Fenchurch Street, London EC3P 3DB
Kenneth Milton Ewins, C.B.E., T. J. <i>Non-executive Director and Government Director</i>	<b>Financial Advisers to HM Government</b> Lazard Brothers & Co., Limited, 21 Moorfields, London EC2P 2BT
Sir Kenneth Durham <i>Non-executive Director</i>	<b>Solicitors to the Company</b> Linklaters & Paines, Barrington House, 59-61 Gresham Street, London EC2V 7JA
Bernard Ernest Friend, F.C.A. <i>Finance Director</i>	<b>Solicitors to the Offer</b> Slaughter and May, 35 Basinghall Street, London EC2V 5DE
Derek Oliver Gladwin, C.B.E. <i>Non-executive Director</i>	<b>Solicitors to the Underwriters</b> Freshfields, Grindall House, 25 Newgate Street, London EC1A 3LH
John Lewis Glasscock, <i>Deputy Chief Executive, Aircraft Group</i>	<b>Auditors</b> Peat, Marwick, Mitchell & Co., Chartered Accountants 1 Puddle Dock, Blackfriars, London EC4V 3PD
Harold Arthur Hitchcock, D.F.C. <i>Non-executive Director</i>	<b>Brokers to the Offer</b> Hoare Govett Limited, Heron House, 319-325 High Holborn, London WC1V 7PB
Thomas George Kent, C.B.E. <i>Deputy Chief Executive, Dynamics Group</i>	<b>Cazenove &amp; Co.,</b> 12 Tokenhouse Yard, London EC2R 7AN
Hugh Metcalfe, C.B.E., F.Eng. <i>Chief Executive, Dynamics Group</i>	<b>Registrars</b> Lloyds Bank Plc, Registrar's Department, Goring-by-Sea, Worthing, West Sussex BN12 6DA
John Trevor Stamper, F.Eng. <i>Technical Director</i>	
Sir Jack Alfred Wellings, C.B.E. <i>Non-executive Director</i>	
Colin James Wells <i>Personnel Director</i>	
Ivan Ray Yates, C.B.E., F.Eng. <i>Chief Executive, Aircraft Group</i>	
<b>all of British Aerospace Public Limited Company,</b> 100 Pall Mall, London SW1Y 5HR	



## THE BUSINESS OF BRITISH AEROSPACE

## Introduction

British Aerospace, whose origins can be traced directly to companies which were among the pioneers of the aircraft industry in the early part of this century, is one of the largest aerospace organisations in the world. It is engaged, either on its own or in collaboration with other companies, in the design, development, production and sale of military and civil aircraft, guided weapon systems, space systems, and related technologies and in the provision of support services. British Aerospace is one of the largest exporters of manufactured goods from the United Kingdom and employs approximately 70,000 people.

On 4th February 1981, just over half of the issued shares in the Company were offered by HM Government to the general public and to employees, the remaining shares being retained by HM Government. Since then, the shares of the Company have been listed on The Stock Exchange, London. In 1982, British Aerospace purchased the assets and business of the Gyroscopic Division of Sperry Limited for £42 million in cash.

The turnover and trading profit of the principal activities of British Aerospace in each of the two years to 31st December 1984 were as follows:

	1983			1984		
	UK Export	Other	Total	UK Export	Other	Total
Military aircraft and support services	304	728	1,032	298	897	1,195
Civil aircraft	79	358	437	72	800	872
Guided weapon systems and other products	488	224	712	504	267	771
Space	32	111	143	30	80	110
	893	1,417	2,310	904	1,564	2,468
	1983			1984		
	£m	£m	£m	£m	£m	£m
Military aircraft and support services	304	728	1,032	298	897	1,195
Civil aircraft	79	358	437	72	800	872
Guided weapon systems and other products	488	224	712	504	267	771
Space	32	111	143	30	80	110
Company funded research and development	(38.7)	(45.3)	(84.0)	(37.7)	(45.3)	(83.0)
Reorganisation costs	(11.0)	(16.2)	(27.2)	(11.0)	(16.2)	(27.2)

In recent years, British Aerospace has become increasingly involved in collaborative projects which offer important advantages, despite certain difficulties that collaboration can entail. In the case of military aircraft and some guided weapon projects, countries have tended to collaborate not only to share development costs but also to extend production runs and to standardise equipment among allies. In the case of the larger civil aircraft, their increasing size and sophistication has meant that development costs are often too high for individual companies to bear alone. Collaboration also increases sales potential.

## Military Aircraft

Military aircraft projects typically extend over many years and generally include the provision of spares and training and lead to modification programmes to improve the aircraft's capability and to extend its useful life.

The Ministry of Defence is the largest single customer of British Aerospace for military aircraft business and, in the year ended 31st December 1984, sales to the Ministry of Defence accounted for 28 per cent. (29 per cent. in 1983) of total sales in respect of military aircraft and support services, with virtually all the balance being for export.

The principal military aircraft projects being undertaken by British Aerospace are:

## Tornado

The Tornado is a swing-wing supersonic aircraft, which is being produced for the governments of the United Kingdom, Germany and Italy under a collaborative programme with German and Italian aerospace companies. The programme is managed by Panavia Aircraft GmbH in which the Company has a 44.5 per cent. interest. British Aerospace is responsible for manufacturing the forward and rear sections of the fuselage and the fin and tail and also for the final assembly and flight testing of the aircraft. The Tornado is the largest aircraft ever produced in the United Kingdom and is one of the largest production programmes undertaken by British Aerospace.

By 1st March 1985, British Aerospace had completed its work on 477 out of a total programme of 809 aircraft for the Royal Air Force and the German and Italian Air Forces. Two versions of the aircraft are now in production: the Interdiction Strike aircraft, of which first deliveries were made in 1980, and the Ground Attack aircraft, of which first deliveries are expected in 1985. The first of which are now entering service. A number of overseas countries have expressed an interest in Tornado and British Aerospace hopes that export orders will result.

## Hawk

The Hawk is a dual role, two seat advanced jet trainer and light strike aircraft which was originally developed for the Royal Air Force. It is a single-engine, single-seat aircraft, which is used by the Royal Air Force and several other air forces. In addition, several overseas countries have ordered over 125 aircraft, of which 100 had been delivered by 1st March 1985, and British Aerospace expects further orders. The development of a single seat light strike fighter version, funded by British Aerospace, is in progress with the first flight scheduled for 1988.

A variant of the Hawk, the T45A, has been selected for the United States Navy to fulfil the role of a new trainer aircraft as part of a new jet pilot training system. This is a joint programme, with McDonnell Douglas Corporation, for which a development contract was awarded in October 1984. In the production phase, British Aerospace would be responsible for about half of the basic airframe production work. The United States Navy has said that it has a requirement for 300 aircraft by the late 1990s.

## Harrier

The Harrier is the only operational vertical/short take-off and landing (V/STOL) aircraft in the western world. Its operational capability was successfully demonstrated in the Falklands conflict. In addition to the AV-8B programme described below, a total of 343 Harriers and Sea Harriers have been ordered, including 110 AV-8B Harriers supplied to the United States Marine Corps. At 1st March 1985, 314 Harriers had been delivered.

In 1981, British Aerospace and McDonnell Douglas Corporation entered into a Teaming and Licence Agreement covering the collaborative development and manufacture of a version of the Harrier, known as the AV-8B, for the United States Marine Corps and the Royal Air Force (the Royal Air Force version being known as the GR5). The United States Marine Corps' requirement is for 332 aircraft of which 20 had been delivered by 1st March 1985. Initial orders have been placed for 63 aircraft for the Royal Air Force. The purchase of some components for installation in the AV-8B aircraft for the Royal Air Force has been authorised by the Ministry of Defence, including the final assembly of Royal Air Force aircraft. British Aerospace will carry out approximately 40 per cent. of the total airframe work although the manufacture of AV-8Bs for sale to other countries will be shared in different proportions between the two companies. The Spanish Navy has ordered 12 AV-8Bs (having already acquired 13 AV-8Bs through the United States Government).

## Jaguar

The Jaguar is a dual-role advanced trainer and tactical support aircraft which has been developed by British Aerospace, in collaboration with a French manufacturer, for the United Kingdom and French governments. These governments have received all of the 403 aircraft ordered by them. A further 94 of an export version of the aircraft have been ordered of which 80 had been delivered by 1st March 1985. In addition, 78 aircraft are being manufactured in India (of which seven had been completed and delivered to the Indian Air Force) under licence from, and with some parts being supplied by, British Aerospace.

## Nimrod

British Aerospace is modifying for the Royal Air Force 35 Nimrod aircraft (of which 31 had been delivered by 1st March 1985) to continue the role of maritime reconnaissance, and a further 11 to increase the role of the aircraft in the conversion of a broadly equal number of the 11 early warning aircraft has been delayed as a result of problems associated with certain advanced avionics equipment which is supplied by another contractor, although the airframe modification work is on programme and has been substantially completed.

## Defence Support Services

These services, which include training and equipment maintenance, are available to HM Government and overseas governments. As a contractor to the Ministry of Defence, British Aerospace has since 1973 provided a range of such services to the Royal Saudi Air Force. Negotiations are in progress for the fourth of the Inter-Governmental Memoranda of Understanding under which these services are provided with a view to continuing them beyond August 1985 when the current arrangements are due to end, although the Ministry of Defence intends that this will be replaced by a new Memorandum of Understanding with British Aerospace will be invited to participate. This contract has been one of the largest export contracts ever awarded to the United Kingdom.

## New Projects

British Aerospace is leading the development and construction of an advanced technology demonstrator fighter aircraft, first flight in 1986 which is funded on an equal basis by HM Government and a consortium of manufacturers. This programme, the Experimental Aircraft Programme (EAP), will bring together and demonstrate the integration of advanced technologies, such as the manufacture of large structures in carbon fibre composites, an advanced cockpit and active control technology, which may all be used in future military aircraft. In addition, British Aerospace, in conjunction with German, Italian and Spanish aerospace manufacturers, has recently completed a technical and industrial feasibility study jointly commissioned by the Governments of the five nations concerned, for a projected European Fighter Aircraft (EFA) which, together with EAP, is discussed further under Future Outlook.

Studies, funded by the Ministry of Defence, are in progress to investigate the technology required for an advanced V/STOL aircraft. Collaborative studies, funded by industry, are also taking place on a future international military/civil airliner (FIMA).

British Aerospace was disappointed not to be awarded the contract for the new basic trainer for the Royal Air Force. It proposes to continue an association with Pilatus Aircraft Limited of Switzerland for the marketing of the PCJ trainer aircraft in combination with the Hawk, wherever this is appropriate.

## Civil Aircraft

British Aerospace is involved in the production of a wide variety of civil aircraft, ranging in size from a small business jet to the wide-bodied A300. Civil aircraft sales usually include the provision of initial spares, flight and ground training and lead to the long-term support of an aircraft in service. In addition to the aircraft described below, British Aerospace has built by British Aerospace are in service.

Options are often taken by customers; these do not commit the customer to placing firm orders, but secure a delivery position for further aircraft.

The principal civil aircraft projects being undertaken by British Aerospace are:

## Airbus

As a 50 per cent. partner in Airbus Industrie Groupement d'Intérêt Économique (Airbus Industrie), the Company collaborates in the development and production of a family of short to medium range jet airliners. There are three principal aircraft within the Airbus family, the A300, A310 and A320, each being offered in a number of variants. The A300 is a wide-bodied, twin-engine short to medium range jet having a typical capacity of around 270 passengers. The A310, of which the first delivery was made in Spring 1983, is a development of the A300 with a typical capacity of around 230 passengers. In March 1984, British Aerospace announced its participation in the A320 which is a single aisle aircraft with a typical capacity of around 160 passengers. The first flight of the A320 is planned for 1987 with first deliveries in 1988.

British Aerospace is responsible for the design of the wings and manufacture of the main structure of the wing, the wing box, for the A300, A310 and A320; these wings are of a highly advanced design providing weight savings and reduced drag.

By 1st March 1985, 246 A300 and 33 A310 aircraft had been delivered to 32 airlines and orders for 48 aircraft were outstanding. At the same time, orders for 31 A320 aircraft had been received and options for a further 45 granted. In addition, negotiations continued with Pan American World Airways which signed a letter of intent in September 1984 for the purchase of 12 A310s (with options for a further 13) and the purchase of 16 A320s (with options for a further 34). Pending the availability of these aircraft, Airbus Industrie is to lease to Pan Am an interim basis A310s and up to 12 A300s. By 1st March 1985, four of the leased A300s had been delivered to Pan Am.

Further details of the Airbus Industrie arrangements are set out in paragraph 11 under 'Statutory and General Information'.

## BAe 146

The BAe 146 is a jet aircraft designed for short-haul services seating between 80 and 100 passengers. Two versions of the aircraft, the Series 100 and 200, are now in production. Early design and engineering work is in progress on the Series 300 aircraft, a stretched version of the Series 200, increasing the seating capacity to about 120 passengers.

British Aerospace is responsible for the overall design of the aircraft, the production of all fuselage components and final assembly. The wing boxes and the engines are built by Avco Corporation in the United States and the tailplane and moving surfaces of the wings and tail by Saab-Scania A.B. in Sweden.

The BAe 146 entered service in 1983 and by 1st March 1985 orders for 41 aircraft had been received, of which 21 aircraft had been delivered, and options for a further 36 granted. The largest single order, for 20 aircraft of which six had been delivered, has been received from Pacific Southwest Airlines, a leading carrier on the west coast of the United States which has also been granted options for a further 25 aircraft. Two BAe 146s have been ordered for the Queen's Flight of the Royal Air Force. On 24th April 1985, British Aerospace announced that it had signed a Memorandum of Understanding for the sale of ten aircraft to China.

## BAe 125

Production of this twin-jet business aircraft commenced in 1984 and, by 1st March 1985, a total of 600 had been ordered (including two aircraft sold to British Aerospace Inc. as demonstrator aircraft) of which 395 had been delivered. More than 80 per cent. of the orders have been for export to 35 countries, including 306 aircraft sold to customers in the United States. The new BAe 125 Series 800, which can seat up to ten passengers, is now in production and 23 aircraft had been delivered by 1st March 1985.

## Jetstream 31

The Jetstream 31 is a turbo-prop aircraft for low density commuter routes, carrying up to 19 passengers. The Jetstream 31, which can also be used in a corporate role, entered service in 1982 and, by 1st March 1985, orders had been obtained for 63 aircraft (including three sold to British Aerospace Inc.), of which 43 had been delivered, and an additional 10 options granted. In addition, the Royal Navy has ordered four Jetstream 31s for use in an observer training role.

## BAe 749

The BAe 749 is a short range turbo-prop aircraft with a capacity of up to 50 passengers, of which 372 have been delivered since the aircraft entered service 23 years ago. This number includes 89 manufactured in India under licence from British Aerospace and 31 sold to the Royal Air Force in the Andover military version. An improved version of the BAe 749 is in production and continues to be ordered in small numbers; new aircraft have recently been delivered to British Airways and Leeward Islands Air Transport.

## ATP

British Aerospace is developing an advanced turbo-prop aircraft (ATP) which will have a typical capacity of 64 passengers. The aircraft, which is derived from the successful BAe 749, is designed to be highly fuel efficient and will incorporate new engines with advanced air-bladed propellers. The first flight of the BAe ATP is planned for August 1986.

## Guided Weapon Systems

British Aerospace is the main contractor for most of the guided weapon programmes undertaken by the Ministry of Defence in the United Kingdom. In 1984, the Ministry of Defence accounted for 83 per cent. (87 per cent. in 1983) by value of British Aerospace's total sales of guided weapon systems and other military equipment, with virtually all the balance being for export.

Guided weapon programmes typically extend over many years involving continual evolution. Sales commonly lead to the supply of further missiles and spares, and the provision of training, maintenance and other support activities.

A number of British Aerospace's guided weapon systems were successfully deployed by the Falklands task force.

The principal guided weapon projects being undertaken by British Aerospace are:

## Land-Based Anti-Aircraft Missile Systems

British Aerospace's most important guided weapon project is Rapier, a low level surface-to-air missile for use against low-flying aircraft and missiles. It is a surface-to-air missile in service with the British Army in both versions and it has also been sold to 12 overseas governments, including Australia and Switzerland and the United States for the defence of its Air Force bases in the United Kingdom. An extensive programme for the continued long-term development of Rapier with Ministry of Defence funding is well advanced. British Aerospace is also developing a number of other guided weapons, which are as advanced and compact, low cost system designed particularly for the export market.

British Aerospace is one of two competing contractors each recently awarded a contract by the Ministry of Defence to undertake a project definition study for a new, close range air defence system using a high velocity missile of advanced design.

## Anti-Tank Air-Launched Missile Systems

British Aerospace manufactures under licence the Milan portable medium range anti-tank guided weapon system and has recently completed a pre-development programme (funded jointly with the Ministry of Defence) for a terminally-guided mortar bomb, Merlin, designed to be fired from standard 81mm mortars which are used by many countries. British Aerospace is also developing a number of other anti-tank weapons, which are as advanced and compact, low cost system designed particularly for the export market. The Swingfire long range anti-tank missile system, which has been in production since 1965, continues to be produced in significant numbers for both the United Kingdom and overseas governments.

The Euro-missile Dynamics Groupement d'Intérêt Économique (EMDGE), in which British Aerospace is a partner, is developing a number of other anti-tank weapons, which are as advanced and compact, low cost system designed particularly for the export market. The EMDGE is also developing a number of other anti-tank weapons, which are as advanced and compact, low cost system designed particularly for the export market.

NATO nations, including the United Kingdom, have already declared their intention to participate in this project.

## Naval Missile Systems

British Aerospace's principal naval missile systems are Sea Dart, which provides medium range defence against air and surface threats, and Sea Wolf, which provides a defence against missiles and also has a shorter range anti-aircraft capability. A new vertical launched version of Sea Wolf is being developed with Ministry of Defence funding and has been selected as the air defence weapon for the Royal Navy's new Type 23 frigates. British Aerospace has recently been awarded a development contract by the Ministry of Defence for a new lightweight launcher that will enable conventional missiles to be fitted to other classes of ships.

## Air Missile Systems

British Aerospace has developed a range of air-to-air and air-to-surface missiles. Sky Flash, a medium range air-to-air missile, provides all weather capability against aircraft: it is in service with the Royal Air Force and the Swedish Air Force. Sea Sparrow, a helicopter-launched air-to-surface missile, is in service with the Royal Navy. Sea Eagle is an advanced air-launched anti-ship missile that is in production and will shortly enter service with the Royal Air Force and Royal Navy. Export orders for Sky Flash, Sea Sparrow and Sea Eagle have been received. British Aerospace is one of a number of sub-contractors to Bodenewerk Gerätebau GmbH which is producing under licence, in Europe, Sidewinder, a short range air-to-air missile designed in the United States.

British Aerospace is also developing a number of other air-to-air missiles for the Royal Air Force for use against the radar of surface-to-air missile defensive systems. It can be fired to a variety of aircraft and can be launched from the ground. An advanced short-range air-to-air missile programme (ASRAAM), which is the result of a Memorandum of Understanding between the United Kingdom, the United States, France and Germany intended to rationalise their procurement of a family of air-to-air weapons systems, is being developed by British Aerospace as a collaborative project between the United Kingdom, Germany and Norway. A number of other countries have expressed interest in participating in this programme. British Aerospace expects ASRAAM and ASRAAM to have good export potential.

## Mining

British Aerospace is a major contractor to the Ministry of Defence for the updating of sea mines and sea mine warfare and possesses considerable expertise in underwater weapons. New concepts of mine include the Sea Urchin, a sophisticated sea-bed mine funded by British Aerospace, and Lawmine, a new anti-air weapon for army use in respect of which it has completed a project definition study for the Ministry of Defence.

## Space and Communications Systems

British Aerospace is the prime contractor for two series of communication satellites for the European Space Agency (ESA) being built by a team of European aerospace companies. The first series, MARECS, is the most advanced communication satellite system ever launched. MARECS A1 was launched in December 1981 and MARECS B2 in November 1984 and both provide global communication links between ship and shore stations. On 15th April 1985, British Aerospace, with Hughes Aircraft Company and MATRA SA as principal sub-contractors, entered into a contract with Inmarsat for the supply of three second generation satellites for use in the Inmarsat global communications network; Inmarsat also has options for up to a further six satellites. The second series, Eutelsat, is a European Satellite Communications System (ECS), the first two satellites, which are handling an increasing volume of Europe's telephone, telefax and television traffic, have been launched and the third is due to be launched in August 1985.

British Aerospace has been chosen by the Ministry of Defence as prime contractor for Skyview 4, a military communications satellite for the Royal Air Force, which has also been chosen by ESA as prime contractor for OLYMPUS 1, a powerful multi-role communication satellite, which is to be launched in July 1987.

British Aerospace is the largest sub-contractor outside the United States on INTELSAT VI, the latest of a series of communication satellite programmes for which the prime contractor is Hughes Aircraft Company. INTELSAT VI is due to be launched in July 1986. The Company is lead contractor for the launch of the first of a series of three European Ariane rockets in March 1986. British Aerospace also supplies payload pallets for the NASA space shuttle and assemblies for ESA's Ariane launch rocket.

British Aerospace and MATRA SA, through SATCOM International and with some funding from HM Government and the French Government, are developing a new generation of communication satellites called Eurostat, which are suitable for launch by Shuttle or Ariane. Eurostat technology will be applied to future and other satellite projects.

A project definition study contract is expected in the near future for a man-tended space platform which would be the British contribution to the Columbus programme, the first phase of which was recently agreed by the Ministerial Council of ESA. British Aerospace is also a shareholder in United States Satellite Limited which has offered to supply to a consortium of companies, including the BBC and the BBC, a satellite system to provide a direct television broadcast service into homes. Amongst other space projects under consideration, British Aerospace is examining a new concept of space launcher, HOTOL (Horizontal Take Off and Landing).

## Other Activities

British Aerospace manufactures a considerable range of other high technology products for both military and civil use, including radars for aircraft, radar installations and missile defence and protection systems, electronic warfare systems, electronic countermeasures and wind turbine generators. Its product range also includes various specialised electronic systems for both military and civil use, such as the Linecan infra-red surveillance system to be fitted to Tornado (and capable of civil use, for example, in earth resource exploration), antennas, flight data recorders, gunfire control systems, stabilised sights, air conditioning systems, combat aircraft and a customer surveillance system designed to examine cargo to identify contraband.

British Aerospace Inc. (BAe Inc.), which has approximately 280 employees, is the Company's principal trading subsidiary in the United States. Its headquarters, near Washington's Dulles Airport, has a large manufacturing facility offering spares and technical support services to North American operators of British Aerospace civil aircraft (a number of which are also marketed by BAe Inc.) and some military aircraft.

British Aerospace Australia Limited (BAe Australia), which has office, engineering and production facilities near Adelaide, is principally engaged in the development and production of defence related technology. BAe Australia is also engaged in the development and production of defence related technology for a number of United States contractors of advanced jet fighters. BAe Australia is also engaged in the development and production of defence related technology for a number of United States contractors of advanced jet fighters.

## Research and Development

British Aerospace's research and development depends upon its technical expertise in markets which expect continuing technological development and innovation. British Aerospace, which employs more than 14,000 engineers, scientists, designers and technicians, has extensive research and development facilities and makes a substantial continuing investment in research and development equipment, as well as in manufacturing plant and machinery, in order to maintain its position in the forefront of new technology and its competitive edge in the world market. General research and development undertaken by British Aerospace covers a wide range of activities from early research and conceptual studies, through project definition, design and development to operational support and continued product improvement. The range of disciplines is equally wide including, for example, the application of advanced electronic, optical, sensor and system technologies, new materials (such as carbon fibre composites) and improved engineering and manufacturing processes.

British Aerospace is progressively introducing the latest computer systems technology to extend and enhance the range of its computer-aided engineering, design, test, quality and business systems.

The Company is making a significant investment in advanced manufacturing technology to provide an improved design and production capability at a reduced cost and with higher productivity. This technology includes machining cells operating in an automated flexible manufacturing system (FMS). Investments have also been made in further developments and production applications of carbon fibre composite materials and in processes of superplastic forming and diffusion bonding of high strength alloys, offering savings in weight and cost. British Aerospace's development of its facilities for silicon chip technology, high density printed circuit board manufacture, specialised acoustic testing and advanced flight and systems simulators should ensure that its research and development activities will remain in the forefront of emerging new technologies and thus enhance its prospects for new business opportunities.

## Development Expenditure

Military projects undertaken by British Aerospace have traditionally been developed under contract from the Ministry of Defence in development stages being financed by progress payments. Whilst for most military projects these arrangements are continuing, some important projects are now being partly or wholly funded by British Aerospace, for example the EAP, Laserfire and the single-seat Hawk.

Historically, civil aircraft projects have been largely developed and financed by British Aerospace from its own resources. Its involvement in the A300, A310, BAe 146, Jetstream 31, BAe 125-800 and BAe ATP projects is being wholly or mainly funded by British Aerospace. HM Government has agreed to provide a number of United States contractors of advanced jet fighters. BAe Australia is also engaged in the development and production of defence related technology for a number of United States contractors of advanced jet fighters.

The accounting treatment of the costs of launching civil aircraft is explained under 'Statutory and General Information' below. Most of the launch costs carried forward at 31st December 1984 were accounted for by the BAe 146 and A310 programmes, the BAe 146 accounting for the major part of the total.

## Sales and Arrangements with Customers

The majority (by value) of production contracts for Military of Defence requirements are placed on a fixed price basis, with provision for adjustment in certain circumstances, particularly those of low volume, to take into account the effects of inflation on raw materials and the cost of materials. Contracts for some military requirements may be placed on the basis of cost reimbursement with incentive provisions. In non-competitive contracts, prices are calculated by reference to the Government profit formula arrangements, which provide for post-costing procedures and reference by either party to the Review Board for Government Contracts in the case of a dispute on a particular contract. The profit formula is reviewed annually by the Review Board and other aspects of the arrangements are reviewed every three years. The recommendations arising out of such reviews are not binding upon the Confederation of British Industry or HM Government. Following this year's annual review, the Review Board recommended in March 1985 changes in the profit formula and HM Government announced on 30th April 1985 that, in the light of the Review Board report, there would, with effect from 1st May 1985, be certain adjustments to the profit formula. These adjustments are expected to have only a marginal effect on British Aerospace.

The major proportion of military sales to overseas governments is in respect of products initially developed under contract from the Ministry of Defence and accordingly they are generally subject to a levy payable to the Ministry of Defence in return for the use of designs, jigs and tools; the levy being calculated either on sales or on a profit-sharing basis. The sale of military products to overseas governments requires the consent of HM Government.

The sale of military products normally involves a number of pre-delivery payments by the customer with payment of the balance of the price on delivery.

As revenues from the civil aircraft business are largely in United States dollars, the Company can be affected significantly by movements in exchange rates. However, any exposure to exchange risk is partially offset by purchases in United States dollars and a proportion of the remaining exposure is hedged by a combination of borrowings in United States dollars and forward exchange contracts.

Following the Offer, HM Government will hold no shares in the Company except the Special Shares. The voting rights attaching to the Special Shares will be exercised by HM Government until registration following payment of the second instalment under the terms of the Offer. Pending such registration, HM Government does not intend to use its rights as a shareholder to intervene in the Company's commercial decisions and it does not expect to vote its shareholding in opposition to a resolution supported by a majority of the Board, although it retains the power to do so.

## RELATIONSHIP WITH HM GOVERNMENT

The following is the text of a letter from the Secretary of State for Trade and Industry to the Chairman of the Company dated 1st May 1985:

## HM Government as Shareholder

Following the Offer, HM Government will hold no shares in the Company except the Special Shares. The voting rights attaching to the Special Shares will be exercised by HM Government until registration following payment of the second instalment under the terms of the Offer. Pending such registration, HM Government does not intend to use its rights as a shareholder to intervene in the Company's commercial decisions and it does not expect to vote its shareholding in opposition to a resolution supported by a majority of the Board, although it retains the power to do so.

## Government Director

Under the Company's Articles of Association, HM Government as holder of the Special Shares has the right to appoint or nominate one non-executive Director to the Board. The Government Director has no special powers and his duties, like those of all Directors, are to the Company as a whole. The Government Director is generally not expected to exercise his powers in relation to the Company's commercial decisions and it does not expect to vote its shareholding in opposition to a resolution supported by a majority of the Board, although it retains the power to do so.

There will be no change in the relationship between the Ministry of Defence or other Government departments and the Company as customer and contractor consequent upon the sale of HM Government's shareholding. British Aerospace will continue to be treated by HM Government in accordance with the same criteria as other suppliers of aerospace equipment, with contracts awarded by the Ministry of Defence to meet United Kingdom defence requirements either by tender or, in the case of non-competitive contracts, subject to the applicable profit formula and post-costing arrangements. HM Government's general approach to the sale of HM Treasury's published guidelines on public purchasing policy.

## Sales Support

The support of HM Government in relation to overseas sales will continue to be available to British Aerospace on the same basis as to other United Kingdom companies. Where there are in existence Memoranda of Understanding between HM Government and overseas governments relating to co-ordinating sales into by British Aerospace, HM Government's undertakings under these Memoranda of Understanding will continue to be honoured. The sale of the Government's shareholding will not cause HM Government to change its criteria for entering into new Memoranda of Understanding. Existing facilities provided by the Export Credits Guarantee Department will be unaffected by the sale of the Government shareholding and the Export Credits Guarantee Department will be prepared to consider applications from the Company for further facilities in exactly the same way as it would consider applications from any other company.

## Airbus

HM Government, together with its partner Governments, is committed to promote the success of Airbus Industrie (AI) programmes which are the subject of its arrangements with these Governments. Such arrangements exist with regard to the A300 and A310, and are under discussion with regard to the A320. Under the principles of Cooperation established in 1976 with the Governments of France and Germany, HM Government fully supports British Aerospace's participation in AI stands behind the discharge by British Aerospace of its financial obligations to AI and contributes 20 per cent. of the export credit support to be given to the Airbus programme. The Principles also provide that HM Government and the French and German Governments will not, unless otherwise unanimously agreed, support the participation of other manufacturers, which are not participating in the programme, in the development and production of civil aircraft competing with such programmes. HM Government's support for British Aerospace's participation in AI extends to ensuring as necessary that British Aerospace is able to raise sufficient finance to fund its share of development work on agreed Airbus programmes; and to ensuring that British Aerospace has adequate funds to defray its financial obligations to AI, including the share of AI's liabilities if these are not met. In these latter circumstances, HM Government will not require British Aerospace to ensure the continued existence of British Aerospace. The inter-Governmental arrangements, covering agreed Airbus programmes, between the French, German, Spanish and British Governments provide that, in the event of an associated manufacturer failing to fulfil its undertakings, the Government of the country under whose laws it is established will remain liable to the other Governments up to the second amount of its share of the cost of development work on the programme in question. In the event of a failure to meet its obligations, the Government of the country under whose laws it is established will remain liable to the other Governments up to the second amount of its share of the cost of development work on the programme in question. In the event of a failure to meet its obligations, the Government of the country under whose laws it is established will remain liable to the other Governments up to the second amount of its share of the cost of development work on the programme in question.

## HM Government Finance

The Company will continue to have the same eligibility for Government finance as other companies in the private sector. This principle is likely to be relevant to the Civil Aviation Act 1982, under which HM Government may give assistance for the design, development and production of civil aircraft, and the Industrial Development Act 1982 (as amended by the Corporate Development Agency and Industrial Development Act 1984), under which HM Government may give assistance to provide employment in the aerospace sector. Interest, and makes available regional development grants towards capital investment for, or the provision of jobs by, projects in the assisted areas. Any application for such Government finance will be subject to the general guidelines and financial limits that may apply at any time in relation to the relevant assistance.

## HM Government Defence Expenditure

The Ministry of Defence is the largest single customer of British Aerospace. The White Paper on Public Expenditure issued in January 1985 set the total cash provision for defence in HM Government's financial year ending 31st March 1986 (1



In the United States, together with the strength of the dollar relative to sterling, resulted in an increase in interest payable as compared with 1983. In contrast, interest receivable and income from Government securities was marginally lower reflecting lower interest rates in the United Kingdom.

Profit before taxation at £120.2 million was 48 per cent above the 1983 level of £82.3 million. Taxation for the year amounted to £12.2 million (1983: nil) which largely represents advance corporation tax on dividends, resulting in profit after taxation of £108.0 million (1983: £82.3 million). In 1983, the tax charge was offset by the release of prior year tax provisions.

The Company benefited from a net cash inflow of £55.3 million during the year with net liquid assets exceeding gross loans by £81.6 million at the year end, this notwithstanding approximately £230 million was invested by the Company on fixed assets, inventories and research and development during the year.

At 31st December 1984, the Company's order book stood at £4,820 million. This was slightly lower than the corresponding figure of £4,807 million for 1983.

The Board has proposed a final dividend in respect of the year ended 31st December 1984 of 8.4p per Ordinary Share which will bring the total dividend paid for 1984 to 13.65p per Ordinary Share (1983: 10.65p) compared with 9.1p (1982: 8.65p) for 1983.

# **FUTURE OUTLOOK**

**Military Aircraft**

The Board believes that British Aerospace's wide range of military aircraft projects, including the Tornado, Harrier and Hawk, as well as the collaborative nature of a number of these projects, puts it in a good position to achieve further significant orders. In particular, vigorous efforts are being made to export the Tornado. While the Board is confident of the Company's ability to achieve export orders for its military aircraft, competition is very strong and the level of support provided by HM Government (particularly in the provision of export credit guarantees facilities relative to those offered by competing countries) will be an important factor.

The decision on, and timing of, a new fighter aircraft for the Royal Air Force will be of major long term importance for British Aerospace's military aircraft activities. The Defence Ministers of five nations, the United Kingdom, France, Germany, Italy and Spain, have agreed in principle on the need to develop and produce jointly a new European Fighter Aircraft (EFA). In the case of the United Kingdom, this would be a possible means of meeting the Royal Air Force's need to replace its Phantom and Jaguar aircraft in the 1990s. British Aerospace and industrial partners, including Aeritalia and German equipment companies, to consolidate British Aerospace's military capability that decisions are taken by the relevant Government in the near future in order that design and manufacturing capacity may be maintained as the Tornado programme runs down in the late 1980s.

**Guided Weapons Systems**

The prospects for the guided weapons business look most encouraging and this area of business is expected to continue to make a substantial and increasing contribution to profit. British Aerospace is developing and producing a number of new systems which have good export potential, with Sea Eagle, ASRAAM and ALARM being important examples. British Aerospace has a wide spread of product lines, and the highly successful Rapier programme and its development are expected to continue to be the Company's most important guided weapon project for many years.

**Civil Aircraft**

The Board believes that the long term outlook in the civil aircraft market is good. There is a very encouraging demand for Jetstream 31. However, the upturn in demand for larger aircraft, in particular, has been slower than anticipated. The generally weak state of affairs in the position worldwide being one of the principal causes of this. However, the Board believes that the financial health of a number of airlines which should be of benefit, although this trend cannot be expected to have any favourable impact on the Company's results in the short term.

More generally, bearing in mind the financial risks associated with developing civil aircraft, the Board will continue to keep under close review the Company's exposure to civil aircraft projects. The Board believes that the long term outlook for the Company's civil aircraft programmes, the Board considers it unlikely that the Company would embark on any major new civil aircraft project in the foreseeable future without HM Government launch aid.

The Airbus programme, together with the A310, will have a substantial effect on British Aerospace's results for many years. Fierce competition is being experienced in these programmes and it is being reflected in the price being obtained for orders. In the medium term, therefore, the Board is cautious about the contribution that these programmes will make, but in the longer term believes that British Aerospace has the right range of aircraft to benefit from the large civil market expected to be available and that civil aircraft will provide an important and growing source of turnover and profit.

**Space and Communications Systems**

British Aerospace has made a substantial investment in space and communications systems since it believes this to be an important and growing market. This has had an adverse impact on the results of the Company for the last two years whilst it has been establishing itself as a leading supplier. The selection of the British Aerospace led consortium by Inmarsat for its new generation of maritime satellites is an encouraging recent development. In addition, the importance of military satellites is likely to increase. The Company, which is one of the largest space contractors outside the United States, is now well placed to compete for new business and the Board believes that the long term prospects for these activities are good.

**Electronics and Other Systems**

The Company has considerable expertise in electronics, which are an integral part of its business. In addition, many electronics projects are being pursued as businesses in their own right, including radar, laser gyros, automated message handling, advanced optical processes and infrared systems, together with "Other Activities" related to the Business of British Aerospace, these and other areas of the Company's business are growing and may be further expanded by suitable acquisitions.

**HM Government Policies**

The Board of British Aerospace fully accepts the Ministry of Defence's new policies of encouraging greater competition amongst suppliers, of maximising the export potential of United Kingdom defence programmes and of promoting cost competition. One aspect of these policies may result in the increased importance of fixed price contracts (rather than cost plus contracts) which the Company has itself advocated in all appropriate cases. The Board is concerned that these policies, and particularly the rules of competition, should be fairly applied, and seen to be so, subject to which the Board believes the policies should give British Aerospace the opportunity of expanding its military business further and of improving profitability. The Board is also concerned that these policies should not result in unreasonable delays in the placing of a number of contracts which are important to British Aerospace and to the Board's position in the national interest and that account is taken of the importance of maintaining British Aerospace's all round weapon systems capability, which is unique amongst United Kingdom manufacturers.

The Company welcomes the announcement made by HM Government on 4th April 1985 regarding the future of the airport at Farnborough (where Jetstream 31 is manufactured), which should ensure the continued availability of the aircraft for use by British Aerospace for some years ahead.

**General**

British Aerospace's wide range of products with their differing business cycles and cash flow characteristics are a major strength. The military business is continuing to generate strong cash flow which is helping to finance British Aerospace's investment in civil aviation and space. The overall financial position of the Company is strong. Currently, the Company has no net borrowings and net assets of over £900 million. The raising of an additional £187.5 million of equity by the issue of new Ordinary Shares under the Offer further strengthens the Company's position.

In considering the profits earned by British Aerospace in any year, it must be borne in mind that they are derived mainly from long term projects, typically with lives of 15 years or more, whose profitability varies according to the exchange rate of the pound sterling. Over the medium term, the major civil aircraft projects are for the most part at relatively early stages when heavy costs are incurred with significant profits only expected in the later years of the project. The Board is confident that the longer term outlook for these civil aircraft projects is good but, as indicated under "Civil Aircraft" above, the upturn in demand for larger aircraft, in particular, has been slower than anticipated. Against this background, the Board considers it prudent to be cautious about the short term profit outlook for the Company.

The Board remains committed to its policy of greater efficiency by reducing costs, improving productivity and matching production and other resources to market demands. There remains scope within the Company to improve efficiency, and the United Kingdom inflation rate relative to the United States and other major industrial countries will also be particularly important factors in influencing the Company's profitability and competitiveness.

The Board believes that the Company is well placed to take advantage of the opportunities that the markets will provide in the years ahead and, overall, is confident that the long term profit growth potential for British Aerospace is good.

## **Statement of Source and Application of Funds**

The accompanying statement of source and application of funds of British Aerospace based on its published audited accounts for the five years to 31st December 1984 is set out below.

	1980	1981	1982	1983	1984
£m	£m	£m	£m	£m	£m
Source of funds					
Profit/(Loss) before taxation	82.3	70.8	(12.3)	26.3	120.2
Adjustments for items not involving the movement of funds					
Depreciation	23.4	26.6	36.9	45.5	61.2
Revaluation of provision in respect of civil aircraft programmes	—	—	700.0	—	—
Provisions and other	26.6	37.3	32.7	68.6	(28.0)
Funds from operations	106.6	124.5	194.3	198.6	149.4
Use of funds					
Dividends paid	—	—	—	—	—
Other	106.6	124.5	194.3	198.6	149.4

Included in the application of funds for 1983 is £10 million relating to the acquisition of the Gyronyx Division of Space Limited, £25 million of which was in respect of fixed assets, patents, trademarks and know-how and £10 million in respect of working capital.

## **Principal Accounting Policies**

1. Trading Profit: Trading profit is taken at the time of sale in the case of contracts with extended delivery programmes. It is arrived at by reference to the estimated overall profitability. Profit provision is made for any losses in the year in which they are incurred.
2. Research and Development: Expenditure on research and development, other than that on buildings or specifically identifiable tangible intangible, is written off as incurred and charged to the profit and loss account. Expenditure on the design and development of new aircraft is charged to the profit and loss account. Expenditure on the design and development of new aircraft is charged to the profit and loss account. Expenditure on the design and development of new aircraft is charged to the profit and loss account.
3. Depreciation: Depreciation is calculated on the straight line basis over the estimated useful life of the asset. Depreciation is calculated on the straight line basis over the estimated useful life of the asset. Depreciation is calculated on the straight line basis over the estimated useful life of the asset.
4. Provisions: Provisions are made for liabilities of uncertain amount or timing. Provisions are made for liabilities of uncertain amount or timing. Provisions are made for liabilities of uncertain amount or timing.
5. Taxation: Taxation is accounted for on the basis of the Companies Act 1965 and the Finance Act 1968. Taxation is accounted for on the basis of the Companies Act 1965 and the Finance Act 1968. Taxation is accounted for on the basis of the Companies Act 1965 and the Finance Act 1968.

Included in the statement of source and application of funds for 1983 is £10 million relating to the acquisition of the Gyronyx Division of Space Limited, £25 million of which was in respect of fixed assets, patents, trademarks and know-how and £10 million in respect of working capital.

	1980	1981	1982	1983	1984
£m	£m	£m	£m	£m	£m
Fixed assets	28.9	24.0	26.3	24.4	24.0
Current assets	12.5	24.1	31.1	24.4	14.0
Liabilities	—	—	—	—	—
Net assets	34.4	24.0	26.3	24.4	14.0

Included in the statement of source and application of funds for 1983 is £10 million relating to the acquisition of the Gyronyx Division of Space Limited, £25 million of which was in respect of fixed assets, patents, trademarks and know-how and £10 million in respect of working capital.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

The Company's policy is to advance expenditure for research and development. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments. No charge was made in 1983 for prior year adjustments.

At the Annual General Meeting on 14th May 1985, the Directors will be seeking the approval of the Company's shareholders to the introduction of the Executive Share Option Scheme (the "Scheme"). The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options. The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.

The Scheme is to be operated by the Company and will enable employees (including executive directors) of British Aerospace who are generally not within the scope of normal independent financial reporting to participate in the Scheme and to acquire shares in the Company (referred to hereinafter as the "Shares") by exercising their options.







[illegible]









WINNING HIS WINGS Rory Underwood, who has begun to fulfil his promise

David Frost reviews a season of key decisions off the field

## World Cup snatches limelight from Irish

### RUGBY UNION

WHILE Ireland's winning of the Five Nations Championship and the Wallabies' first Grand Slam were very fine achievements, the most influential happenings of the season took place behind the scenes, such as the International Board's decision to stage the game's first World Cup and the RFU's decision to institute a new Divisional Championship.

Over the years various entrepreneurs have formed plans for holding a World Cup and most of the players have been in favour of such a competition. But the IB had consistently turned down the idea. The breakthrough came last year when the IB authorised Australia and New Zealand to make a feasibility study.

The IB accepted their proposals in March, and it was announced that the first World Cup would take place in 1987, simultaneously in Australia and New Zealand. All the eight countries, comprising the IB agreed in principle to take part.

There could be no truly representative World Cup without the participation of South Africa because, in defeating England 35-15 and 35-9 in the Tests at Port Elizabeth and Ellis Park last summer, the Springboks proved they are still one of the top rugby nations. At the moment, however, the governments of Australia and New Zealand would not allow South Africa to play in their countries.

It had been felt this might cause South African representatives at the IB to vote against the World Cup. Danie Craven, however, said that even if political considerations ruled out the participation of South Africa,

the competition would still have its support, and would not wish to spoil other people's sport," he said.

The World Cup is expected to take place in June, 1987, a month reasonably convenient for players from every hemisphere. Sixteen countries are expected to be invited, and this will present a great opportunity for some of the less well established rugby countries to show their true paces.

Just as the World Cup will stimulate interest in the game worldwide and help improve standards, so England's decision to hold a Divisional Championship should help raise the level of performance of the England team. The general level of English club rugby is so low that it has been unrealistic to expect players to leap straight into the international arena.

What has been badly needed is a top-level competition to bridge the gap between club and international rugby. The new Divisional Championship, in which the four regions of England will do battle over a period of three weeks, will allow the top 60-odd players to prepare themselves properly.

It is a great pity that the recommendation of the 1981 Burgess Report (into the future structure of the game), that there should be a nationwide system of club rugby, was rejected by the RFU. Instead, the RFU this season allowed 24 leading clubs to split themselves into two national merit tables. This decision has understandably upset people in Yorkshire, whose objection at last year's annual meeting of the RFU to the RFU's own proposal for similar national merit tables, was carried.

It is clear the mood of the country is against merit tables, was rejected by the RFU. Instead, the RFU this season allowed 24 leading clubs to split themselves into two national merit tables. This decision has understandably upset people in Yorkshire, whose objection at last year's annual meeting of the RFU to the RFU's own proposal for similar national merit tables, was carried.

thirds of the established clubs, and of course, the granting of such fixtures is in the hands of those very clubs.

Merit tables are also unsatisfactory because not every club in a table plays every other club in the table. There cannot be much pride in winning a table if you have not played against everyone else. The answer is properly constituted leagues, as in Scotland, in which every club plays everyone else and in which there is promotion and relegation. The sooner the RFU implements all the recommendations of the Burgess Report, the sooner the standard of English rugby will rise.

On the field, Ireland, in winning the Five Nations and the Triple Crown, showed what could be done with a fresh spirit of attack, inspired by a new coach, Mick Doyle, and by Claram Fitzgerald as captain.

France, the favourites, beat Scotland and Wales without much difficulty, but could manage only draws with England and Ireland. Against England, they failed largely because Patrick Stevie failed to touch the ball down quickly when over the line near the posts, and against Ireland they retaliated to Irish ferocity with foul play which cost them five penalties.

At least the French brought an innovation to the championship, with the use of their scrum-half, Fernand Gallon, to throw the ball into line-outs while their hooker and captain, Philippe Diarraux, waited in the scrum-half position.

The championship, as a whole, was not an outstanding success but it was encouraging to see so many promising young players setting in England could point to Nigel Melville, Rob Andrew, Kevin Shrum, Simon Smith, and Rory Underwood as young players with exciting futures.

John Rodda

## Puica's promise for Slaney

### ATHLETICS

The clamour for another race between Zola Budd and Mary Decker neglects the woman who beat them both in the Olympic 3,000 metres final in Los Angeles, Mariela Puica of Romania.

In an interview with a Reuters correspondent in Bucharest, Puica said she would beat Decker — now Mary Slaney — in the Grand Prix series this season.

"I sincerely regret Mary Decker's accident in Los Angeles, but I always knew I would win," Mrs Puica decided not to run the 1,500 metres in Los Angeles. "I saw something was wrong with her. I watched the race in her face when she finished the 3,000 metres and I knew she could not beat me."

In the final she slowed down after the third lap and



SLANEY: strain

had no doubt then who would win.

Three laps from the end, Mrs Decker stumbled into Miss Budd and fell. "The accident changed nothing for me. I felt her spikes scratch my leg as she went down, and for

a reaction of a second I wanted to help her to her feet. If I'd been Mary I would have tried to get up and fight back. She owed it to her home crowd," she said.

Mrs Puica, now 35, intends to run in the Seoul Olympic games in 1988, and this year may tackle a 10,000 metres on the track.

Miss Budd's entry for the Dale Farm Ulster Games at the Mary Peters track in Belfast on June 24 was confirmed yesterday. It will be her first track race in Britain since returning from Romania.

The organisers hope Mrs Puica is in a Romanian team coming over for the event.

American and Cuban competitors have also been invited to the athletics meeting, the final event of the Games which are spread over 25 days with competitors from 20 countries taking part in 14 sports.

At the Games' launch in London yesterday, Nicholas Scott, the Minister responsible for sport in the Province, encouraged athletes to attend in spite of threats from the Irish National Liberation Army.

"There have been threats in the past and they have been treated with the contempt they deserved," he said.

"It is easy to make threats, but the record speaks for itself. Every athlete going to the Games will be well looked after."

### FIXTURES

Soccer  
(7.30 unless stated)  
CANAL LEAGUE: SECOND DIVISION:  
Preston v. Bolton; Wigan v. Doncaster;  
Preston v. Bolton; Wigan v. Doncaster;  
Preston v. Bolton; Wigan v. Doncaster;

### RESULTS

NEW MARKET  
1. LUCY 2. LUCY 3. LUCY 4. LUCY 5. LUCY 6. LUCY 7. LUCY 8. LUCY 9. LUCY 10. LUCY 11. LUCY 12. LUCY 13. LUCY 14. LUCY 15. LUCY 16. LUCY 17. LUCY 18. LUCY 19. LUCY 20. LUCY 21. LUCY 22. LUCY 23. LUCY 24. LUCY 25. LUCY 26. LUCY 27. LUCY 28. LUCY 29. LUCY 30. LUCY 31. LUCY 32. LUCY 33. LUCY 34. LUCY 35. LUCY 36. LUCY 37. LUCY 38. LUCY 39. LUCY 40. LUCY 41. LUCY 42. LUCY 43. LUCY 44. LUCY 45. LUCY 46. LUCY 47. LUCY 48. LUCY 49. LUCY 50. LUCY 51. LUCY 52. LUCY 53. LUCY 54. LUCY 55. LUCY 56. LUCY 57. LUCY 58. LUCY 59. LUCY 60. LUCY 61. LUCY 62. LUCY 63. LUCY 64. LUCY 65. LUCY 66. LUCY 67. LUCY 68. LUCY 69. LUCY 70. LUCY 71. LUCY 72. LUCY 73. LUCY 74. LUCY 75. LUCY 76. LUCY 77. LUCY 78. LUCY 79. LUCY 80. LUCY 81. LUCY 82. LUCY 83. LUCY 84. LUCY 85. LUCY 86. LUCY 87. LUCY 88. LUCY 89. LUCY 90. LUCY 91. LUCY 92. LUCY 93. LUCY 94. LUCY 95. LUCY 96. LUCY 97. LUCY 98. LUCY 99. LUCY 100. LUCY 101. LUCY 102. LUCY 103. LUCY 104. LUCY 105. LUCY 106. LUCY 107. LUCY 108. LUCY 109. LUCY 110. LUCY 111. LUCY 112. LUCY 113. LUCY 114. LUCY 115. LUCY 116. LUCY 117. LUCY 118. LUCY 119. LUCY 120. LUCY 121. LUCY 122. LUCY 123. LUCY 124. LUCY 125. LUCY 126. LUCY 127. LUCY 128. LUCY 129. LUCY 130. LUCY 131. LUCY 132. LUCY 133. LUCY 134. LUCY 135. LUCY 136. LUCY 137. LUCY 138. LUCY 139. LUCY 140. LUCY 141. LUCY 142. LUCY 143. LUCY 144. LUCY 145. LUCY 146. LUCY 147. LUCY 148. LUCY 149. LUCY 150. LUCY 151. LUCY 152. LUCY 153. LUCY 154. LUCY 155. LUCY 156. LUCY 157. LUCY 158. LUCY 159. LUCY 160. LUCY 161. LUCY 162. LUCY 163. LUCY 164. LUCY 165. LUCY 166. LUCY 167. LUCY 168. LUCY 169. LUCY 170. LUCY 171. LUCY 172. LUCY 173. LUCY 174. LUCY 175. LUCY 176. LUCY 177. LUCY 178. LUCY 179. LUCY 180. LUCY 181. LUCY 182. LUCY 183. LUCY 184. LUCY 185. LUCY 186. LUCY 187. LUCY 188. LUCY 189. LUCY 190. LUCY 191. LUCY 192. LUCY 193. LUCY 194. LUCY 195. LUCY 196. LUCY 197. LUCY 198. LUCY 199. LUCY 200. LUCY 201. LUCY 202. LUCY 203. LUCY 204. LUCY 205. LUCY 206. LUCY 207. LUCY 208. LUCY 209. LUCY 210. LUCY 211. LUCY 212. LUCY 213. LUCY 214. LUCY 215. LUCY 216. LUCY 217. LUCY 218. LUCY 219. LUCY 220. LUCY 221. LUCY 222. LUCY 223. LUCY 224. LUCY 225. LUCY 226. LUCY 227. LUCY 228. LUCY 229. LUCY 230. LUCY 231. LUCY 232. LUCY 233. LUCY 234. LUCY 235. LUCY 236. LUCY 237. LUCY 238. LUCY 239. LUCY 240. LUCY 241. LUCY 242. LUCY 243. LUCY 244. LUCY 245. LUCY 246. LUCY 247. LUCY 248. LUCY 249. LUCY 250. LUCY 251. LUCY 252. LUCY 253. LUCY 254. LUCY 255. LUCY 256. LUCY 257. LUCY 258. LUCY 259. LUCY 260. LUCY 261. LUCY 262. LUCY 263. LUCY 264. LUCY 265. LUCY 266. LUCY 267. LUCY 268. LUCY 269. LUCY 270. LUCY 271. LUCY 272. LUCY 273. LUCY 274. LUCY 275. LUCY 276. LUCY 277. LUCY 278. LUCY 279. LUCY 280. LUCY 281. LUCY 282. LUCY 283. LUCY 284. LUCY 285. LUCY 286. LUCY 287. LUCY 288. LUCY 289. LUCY 290. LUCY 291. LUCY 292. LUCY 293. LUCY 294. LUCY 295. LUCY 296. LUCY 297. LUCY 298. LUCY 299. LUCY 300. LUCY 301. LUCY 302. LUCY 303. LUCY 304. LUCY 305. LUCY 306. LUCY 307. LUCY 308. LUCY 309. LUCY 310. LUCY 311. LUCY 312. LUCY 313. LUCY 314. LUCY 315. LUCY 316. LUCY 317. LUCY 318. LUCY 319. LUCY 320. LUCY 321. LUCY 322. LUCY 323. LUCY 324. LUCY 325. LUCY 326. LUCY 327. LUCY 328. LUCY 329. LUCY 330. LUCY 331. LUCY 332. LUCY 333. LUCY 334. LUCY 335. LUCY 336. LUCY 337. LUCY 338. LUCY 339. LUCY 340. LUCY 341. LUCY 342. LUCY 343. LUCY 344. LUCY 345. LUCY 346. LUCY 347. LUCY 348. LUCY 349. LUCY 350. LUCY 351. LUCY 352. LUCY 353. LUCY 354. LUCY 355. LUCY 356. LUCY 357. LUCY 358. LUCY 359. LUCY 360. LUCY 361. LUCY 362. LUCY 363. LUCY 364. LUCY 365. LUCY 366. LUCY 367. LUCY 368. LUCY 369. LUCY 370. LUCY 371. LUCY 372. LUCY 373. LUCY 374. LUCY 375. LUCY 376. LUCY 377. LUCY 378. LUCY 379. LUCY 380. LUCY 381. LUCY 382. LUCY 383. LUCY 384. LUCY 385. LUCY 386. LUCY 387. LUCY 388. LUCY 389. LUCY 390. LUCY 391. LUCY 392. LUCY 393. LUCY 394. LUCY 395. LUCY 396. LUCY 397. LUCY 398. LUCY 399. LUCY 400. LUCY 401. LUCY 402. LUCY 403. LUCY 404. LUCY 405. LUCY 406. LUCY 407. LUCY 408. LUCY 409. LUCY 410. LUCY 411. LUCY 412. LUCY 413. LUCY 414. LUCY 415. LUCY 416. LUCY 417. LUCY 418. LUCY 419. LUCY 420. LUCY 421. LUCY 422. LUCY 423. LUCY 424. LUCY 425. LUCY 426. LUCY 427. LUCY 428. LUCY 429. LUCY 430. LUCY 431. LUCY 432. LUCY 433. LUCY 434. LUCY 435. LUCY 436. LUCY 437. LUCY 438. LUCY 439. LUCY 440. LUCY 441. LUCY 442. LUCY 443. LUCY 444. LUCY 445. LUCY 446. LUCY 447. LUCY 448. LUCY 449. LUCY 450. LUCY 451. LUCY 452. LUCY 453. LUCY 454. LUCY 455. LUCY 456. LUCY 457. LUCY 458. LUCY 459. LUCY 460. LUCY 461. LUCY 462. LUCY 463. LUCY 464. LUCY 465. LUCY 466. LUCY 467. LUCY 468. LUCY 469. LUCY 470. LUCY 471. LUCY 472. LUCY 473. LUCY 474. LUCY 475. LUCY 476. LUCY 477. LUCY 478. LUCY 479. LUCY 480. LUCY 481. LUCY 482. LUCY 483. LUCY 484. LUCY 485. LUCY 486. LUCY 487. LUCY 488. LUCY 489. LUCY 490. LUCY 491. LUCY 492. LUCY 493. LUCY 494. LUCY 495. LUCY 496. LUCY 497. LUCY 498. LUCY 499. LUCY 500. LUCY 501. LUCY 502. LUCY 503. LUCY 504. LUCY 505. LUCY 506. LUCY 507. LUCY 508. LUCY 509. LUCY 510. LUCY 511. LUCY 512. LUCY 513. LUCY 514. LUCY 515. LUCY 516. LUCY 517. LUCY 518. LUCY 519. LUCY 520. LUCY 521. LUCY 522. LUCY 523. LUCY 524. LUCY 525. LUCY 526. LUCY 527. LUCY 528. LUCY 529. LUCY 530. LUCY 531. LUCY 532. LUCY 533. LUCY 534. LUCY 535. LUCY 536. LUCY 537. LUCY 538. LUCY 539. LUCY 540. LUCY 541. LUCY 542. LUCY 543. LUCY 544. LUCY 545. LUCY 546. LUCY 547. LUCY 548. LUCY 549. LUCY 550. LUCY 551. LUCY 552. LUCY 553. LUCY 554. LUCY 555. LUCY 556. LUCY 557. LUCY 558. LUCY 559. LUCY 560. LUCY 561. LUCY 562. LUCY 563. LUCY 564. LUCY 565. LUCY 566. LUCY 567. LUCY 568. LUCY 569. LUCY 570. LUCY 571. LUCY 572. LUCY 573. LUCY 574. LUCY 575. LUCY 576. LUCY 577. LUCY 578. LUCY 579. LUCY 580. LUCY 581. LUCY 582. LUCY 583. LUCY 584. LUCY 585. LUCY 586. LUCY 587. LUCY 588. LUCY 589. LUCY 590. LUCY 591. LUCY 592. LUCY 593. LUCY 594. LUCY 595. LUCY 596. LUCY 597. LUCY 598. LUCY 599. LUCY 600. LUCY 601. LUCY 602. LUCY 603. LUCY 604. LUCY 605. LUCY 606. LUCY 607. LUCY 608. LUCY 609. LUCY 610. LUCY 611. LUCY 612. LUCY 613. LUCY 614. LUCY 615. LUCY 616. LUCY 617. LUCY 618. LUCY 619. LUCY 620. LUCY 621. LUCY 622. LUCY 623. LUCY 624. LUCY 625. LUCY 626. LUCY 627. LUCY 628. LUCY 629. LUCY 630. LUCY 631. LUCY 632. LUCY 633. LUCY 634. LUCY 635. LUCY 636. LUCY 637. LUCY 638. LUCY 639. LUCY 640. LUCY 641. LUCY 642. LUCY 643. LUCY 644. LUCY 645. LUCY 646. LUCY 647. LUCY 648. LUCY 649. LUCY 650. LUCY 651. LUCY 652. LUCY 653. LUCY 654. LUCY 655. LUCY 656. LUCY 657. LUCY 658. LUCY 659. LUCY 660. LUCY 661. LUCY 662. LUCY 663. LUCY 664. LUCY 665. LUCY 666. LUCY 667. LUCY 668. LUCY 669. LUCY 670. LUCY 671. LUCY 672. LUCY 673. LUCY 674. LUCY 675. LUCY 676. LUCY 677. LUCY 678. LUCY 679. LUCY 680. LUCY 681. LUCY 682. LUCY 683. LUCY 684. LUCY 685. LUCY 686. LUCY 687. LUCY 688. LUCY 689. LUCY 690. LUCY 691. LUCY 692. LUCY 693. LUCY 694. LUCY 695. LUCY 696. LUCY 697. LUCY 698. LUCY 699. LUCY 700. LUCY 701. LUCY 702. LUCY 703. LUCY 704. LUCY 705. LUCY 706. LUCY 707. LUCY 708. LUCY 709. LUCY 710. LUCY 711. LUCY 712. LUCY 713. LUCY 714. LUCY 715. LUCY 716. LUCY 717. LUCY 718. LUCY 719. LUCY 720. LUCY 721. LUCY 722. LUCY 723. LUCY 724. LUCY 725. LUCY 726. LUCY 727. LUCY 728. LUCY 729. LUCY 730. LUCY 731. LUCY 732. LUCY 733. LUCY 734. LUCY 735. LUCY 736. LUCY 737. LUCY 738. LUCY 739. LUCY 740. LUCY 741. LUCY 742. LUCY 743. LUCY 744. LUCY 745. LUCY 746. LUCY 747. LUCY 748. LUCY 749. LUCY 750. LUCY 751. LUCY 752. LUCY 753. LUCY 754. LUCY 755. LUCY 756. LUCY 757. LUCY 758. LUCY 759. LUCY 760. LUCY 761. LUCY 762. LUCY 763. LUCY 764. LUCY 765. LUCY 766. LUCY 767. LUCY 768. LUCY 769. LUCY 770. LUCY 771. LUCY 772. LUCY 773. LUCY 774. LUCY 775. LUCY 776. LUCY 777. LUCY 778. LUCY 779. LUCY 780. LUCY 781. LUCY 782. LUCY 783. LUCY 784. LUCY 785. LUCY 786. LUCY 787. LUCY 788. LUCY 789. LUCY 790. LUCY 791. LUCY 792. LUCY 793. LUCY 794. LUCY 795. LUCY 796. LUCY 797. LUCY 798. LUCY 799. LUCY 800. LUCY 801. LUCY 802. LUCY 803. LUCY 804. LUCY 805. LUCY 806. LUCY 807. LUCY 808. LUCY 809. LUCY 810. LUCY 811. LUCY 812. LUCY 813. LUCY 814. LUCY 815. LUCY 816. LUCY 817. LUCY 818. LUCY 819. LUCY 820. LUCY 821. LUCY 822. LUCY 823. LUCY 824. LUCY 825. LUCY 826. LUCY 827. LUCY 828. LUCY 829. LUCY 830. LUCY 831. LUCY 832. LUCY 833. LUCY 834. LUCY 835. LUCY 836. LUCY 837. LUCY 838. LUCY 839. LUCY 840. LUCY 841. LUCY 842. LUCY 843. LUCY 844. LUCY 845. LUCY 846. LUCY 847. LUCY 848. LUCY 849. LUCY 850. LUCY 851. LUCY 852. LUCY 853. LUCY 854. LUCY 855. LUCY 856. LUCY 857. LUCY 858. LUCY 859. LUCY 860. LUCY 861. LUCY 862. LUCY 863. LUCY 864. LUCY 865. LUCY 866. LUCY 867. LUCY 868. LUCY 869. LUCY 870. LUCY 871. LUCY 872. LUCY 873. LUCY 874. LUCY 875. LUCY 876. LUCY 877. LUCY 878. LUCY 879. LUCY 880. LUCY 881. LUCY 882. LUCY 883. LUCY 884. LUCY 885. LUCY 886. LUCY 887. LUCY 888. LUCY 889. LUCY 890. LUCY 891. LUCY 892. LUCY 893. LUCY 894. LUCY 895. LUCY 896. LUCY 897. LUCY 898. LUCY 899. LUCY 900. LUCY 901. LUCY 902. LUCY 903. LUCY 904. LUCY 905. LUCY 906. LUCY 907. LUCY 908. LUCY 909. LUCY 910. LUCY 911. LUCY 912. LUCY 913. LUCY 914. LUCY 915. LUCY 916. LUCY 917. LUCY 918. LUCY 919. LUCY 920. LUCY 921. LUCY 922. LUCY 923. LUCY 924. LUCY 925. LUCY 926. LUCY 927. LUCY 928. LUCY 929. LUCY 930. LUCY 931. LUCY 932. LUCY 933. LUCY 934. LUCY 935. LUCY 936. LUCY 937. LUCY 938. LUCY 939. LUCY 940. LUCY 941. LUCY 942. LUCY 943. LUCY 944. LUCY 945. LUCY 946. LUCY 947. LUCY 948. LUCY 949. LUCY 950. LUCY 951. LUCY 952. LUCY 953. LUCY 954. LUCY 955. LUCY 956. LUCY 957. LUCY 958. LUCY 959. LUCY 960. LUCY 961. LUCY 962. LUCY 963. LUCY 964. LUCY 965. LUCY 966. LUCY 967. LUCY 968. LUCY 969. LUCY 970. LUCY 971. LUCY 972. LUCY 973. LUCY 974. LUCY 975. LUCY 976. LUCY 977. LUCY 978. LUCY 979. LUCY 980. LUCY 981. LUCY 982. LUCY 983. LUCY 984. LUCY 985. LUCY 986. LUCY 987. LUCY 988. LUCY 989. LUCY 990. LUCY 991. LUCY 992. LUCY 993. LUCY 994. LUCY 995. LUCY 996. LUCY 997. LUCY 998. LUCY 999. LUCY 1000. LUCY 1001. LUCY 1002. LUCY 1003. LUCY 1004. LUCY 1005. LUCY 1006. LUCY 1007. LUCY 1008. LUCY 1009. LUCY 1010. LUCY 1011. LUCY 1012. LUCY 1013. LUCY 1014. LUCY 1015. LUCY 1016. LUCY 1017. LUCY 1018. LUCY 1019. LUCY 1020. LUCY 1021. LUCY 1022. LUCY 1023. LUCY 1024. LUCY 1025. LUCY 1026. LUCY 1027. LUCY 1028. LUCY 1029. LUCY 1030. LUCY 1031. LUCY 1032. LUCY 1033. LUCY 1034. LUCY 1035. LUCY 1036. LUCY 1037. LUCY 1038. LUCY 1039. LUCY 1040. LUCY 1041. LUCY 1042. LUCY 1043. LUCY 1044. LUCY 1045. LUCY 1046. LUCY 1047. LUCY 1048. LUCY 1049. LUCY 1050. LUCY 1051. LUCY 1052. LUCY 1053. LUCY 1054. LUCY 1055. LUCY 1056. LUCY 1057. LUCY 1058. LUCY 1059. LUCY 1060. LUCY 1061. LUCY 1062. LUCY 1063. LUCY 1064. LUCY 1065. LUCY 1066. LUCY 1067. LUCY 1068. LUCY 1069. LUCY 1070. LUCY 1071. LUCY 1072. LUCY 1073. LUCY 1074. LUCY 1075. LUCY 1076. LUCY 1077. LUCY 1078. LUCY 1079. LUCY 1080. LUCY 1081. LUCY 1082. LUCY 1083. LUCY 1084. LUCY 1085. LUCY 1086. LUCY 1087. LUCY 1088. LUCY 1089. LUCY 1090. LUCY 1091. LUCY 1092. LUCY 1093. LUCY 1094. LUCY 1095. LUCY 1096. LUCY 1097. LUCY 1098. LUCY 1099. LUCY 1100. LUCY 1101. LUCY 1102. LUCY 1103. LUCY 1104. LUCY 1105. LUCY 1106. LUCY 1107. LUCY 1108. LUCY 1109. LUCY 1110. LUCY 1111. LUCY 1112. LUCY 1113. LUCY 1114. LUCY 1115. LUCY 1116. LUCY 1117. LUCY 1118. LUCY 1119. LUCY 1120. LUCY 1121. LUCY 1122. LUCY 1123. LUC











## Spanish fear Basque bombing campaign

From Jane Walker in Madrid and Paul Keel

THE SPANISH authorities fear that the Basque terrorist group, ETA, may have signalled the start of a bombing campaign along the Costa Blanca with two explosions on Wednesday night in Benidorm and near Valencia.

However, officials believe that the group is intent only on commercial damage and insist that British holiday makers should not be discouraged.

"It seems they are not to maim or kill, but merely to upset the tourist," said Mr Octavio Cabezas, the civil governor of Alicante yesterday.

Leader comment, page 14

day. "I do not believe that lives or even leisure are in danger. We are facing a dirty campaign aimed to hit tourism, one of the most important factors of the Spanish economy."

This was the line being adopted by the Foreign Office in Britain yesterday which said it was not advising people not to go to Spain. A spokesman said that they had received some inquiries from tour operators and that they were keeping in touch with the Spanish authorities, though the British embassy in Madrid.

A spokesman for Thomson Holidays, Britain's largest tour company, said yesterday that it was taking advice from the Foreign Office.

The first bomb in Benidorm which exploded at 9.30 pm in the sand on the popular Levante Beach. At the time, the beach was deserted, although a nearby promenade was crowded.

The blast happened outside the four star 190 room Costablanca Hotel where a spokesman said yesterday: "There was a loud bang, but not even a window was broken."

The second bomb caused slight damage to an outside terrace bar of a five star hotel near Valencia shortly before midnight. The bar was closed and there were no injuries.

Police, who had already been placed on full alert, stepped up their patrols and searched hotels and public places. A telephone call yesterday warned of another bomb in the main bus station in Alicante, but nothing was found.

The tourist authorities are worried by the possibilities of cancellations. The 1985 season has already threatened to be one of the worst in Spain for many years, with bookings down by as much as 40 per cent.

## Leader of Cabinet wets raises Macleod doctrine of one nation

## Walker renews attack on PM's economic policy

By James Naughtie, Political Correspondent

The Cabinet's most unrepentant wet, Mr Peter Walker, last night questioned again the social values of Mrs Thatcher's Government and called for fundamental changes in its approach to the economy.

The energy secretary's attack was indirect, as usual, but he used the Iain Macleod lecture at the Cambridge Union to reassert his own view of traditional Toryism and to contrast it implicitly with the attitudes of many of his ministerial colleagues.

His assault on free market economics was, however, undisguised. He preferred Keynes to Friedman, he said, and said that though the market economy idolised people as consumers, people were more than just consumers.

The attack on unemployment could be pursued more vigorously, he indicated, and delivered a rebuke to colleagues who have talked of the main area of growth for new jobs as the service sector. Manufacturing still had a major part to play.

Mr Walker also picked up the theme of oil revenues, and said that if such an energy resource had been possessed by Japan and Germany or France, they would have exploited it on an international scale and would have brought vast benefits to their economies.

Nowhere in the speech was Mrs Thatcher mentioned by name, and it appeared that the energy secretary's evocation of the spirit of Mr Macleod was intended as a critical commentary on the government's present state.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

The impact of his speech will be heightened by yesterday's record unemployment figures and the expected Tory losses in the shire county elections, and will be seen by backbench wets concerned at the thrust of government policy as a signal that Mr Walker still intends to play the role of their defender in the Cabinet.

His method — a familiar one in the extraparlimentary speeches which he usually employs to raise his "one nation" banner — was to take quotations from Mr Macleod, the former chancellor, and use them to portray a traditional Toryism which had now gone.

"Tolerance and understanding for everyone," "compassion as well as competition," "humility as well as efficiency."

He quoted from Mr Macleod: "The Tory Party is and must always remain the natural spokesman for those who are underdefended."

Such a position, he made clear, could not be achieved without more successful commercial greatness, and he praised privatisation schemes and went on to argue for new international arrangements to control exchange rates and to tackle urgently the problem of third world debt.

They were proposals familiar to students of the recent speeches of Mr Edward Heath, and Mr Walker continued with another familiar claim of the wets — that a significant fall in unemployment could be achieved by government-led schemes — for example, in the renewal of decaying housing stock.

Nowhere in the speech was Mrs Thatcher mentioned by name, and it appeared that the energy secretary's evocation of the spirit of Mr Macleod was intended as a critical commentary on the government's present state.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.

He ended by recalling the words of Mr Macleod in facing a pre-election Tory conference in which he hoped for humility and compassion from his party. These, said Mr Walker, should be the priorities of any Tory.



FIRST LADY FIRST: President Reagan and West German president Richard von Weizsäcker direct Mrs Nancy Reagan into position for photographs in Bonn.

## Reagan wins French support for trade liberalisation moves

Continued from page one

ment, their foreign and finance ministers, and hundreds of aides were shuttled around the city by limousine and helicopter. One official described it as an unprecedented show of security, following recent bombings and terrorist threats in European capitals.

Around 10,000 police were on highly visible duty, as were 3,900 journalists busily scurrying around government buildings and the baroque gathering places of the mighty.

Moored alongside the summit cantonment were five large Rhine pleasure boats — home for the duration to a record American contingent of reporters. For them and for their German hosts,

the summit itself is but a prelude to the main theme of President Reagan's week-end progress round Belsen concentration camp and the Bitburg cemetery, with its contingent of 55 war graves.

State Department officials spent much of yesterday fending off unfriendly questions on the Bitburg visit, and on President Reagan's announcement of a total boycott on Nicaraguan trade.

Another of yesterday's themes, which is expected to sound even more loudly when the summiters get down to serious business today, is the US Space Defence Initiative — the so-called missile shield project.

Here again the French appear to be standing out of the pack, insisting that they do not intend to re-examine their own strategic policy.

The US Secretary of State, Mr Shultz, said after President Reagan's first round of bilateral talks: "It is clear that everyone supports the importance of doing this research work. Some want to participate in it, and others are studying it. Some probably won't take part. But as to the importance of the research itself, there is no doubt in anyone's mind."

He said that President Reagan shared the sense of importance, but there had been no indication so far that France was prepared to join in the research work.

On the economic front, a senior American official dismissed speculation that President Reagan was pressing for tax cuts as a form of old-fashioned stimulus to the sluggish economies.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

The British and German governments have already quietly distanced themselves from the US action. One British official said the trade sanctions were entirely a matter for the Americans and Nicaraguans.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

The British and German governments have already quietly distanced themselves from the US action. One British official said the trade sanctions were entirely a matter for the Americans and Nicaraguans.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

The British and German governments have already quietly distanced themselves from the US action. One British official said the trade sanctions were entirely a matter for the Americans and Nicaraguans.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

The British and German governments have already quietly distanced themselves from the US action. One British official said the trade sanctions were entirely a matter for the Americans and Nicaraguans.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

The British and German governments have already quietly distanced themselves from the US action. One British official said the trade sanctions were entirely a matter for the Americans and Nicaraguans.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

## Willis blames 'ruthless' NCB for closures

By Keith Harper and Paul Hoyaland

The National Coal Board was reneging on its agreement to consult mining unions before closing pits, Mr Norman Willis, the NCB general secretary, said last night.

It has refused to give an undertaking to unions that it will consult them in advance of any pit closure. This policy could be adopted until the end of June, while the NCB continues its assessment of the impact of the miners' strike on individual pits.

At the Wales TUC in Tenby, Dyfed, Mr Willis said that since the strike ended without an agreement, the coal board had exploited its advantage ruthlessly.

In a step of which the old South Wales private coal owners would have been proud, the Bedwas colliery was closed without the colliery review procedure — old or new — being used. So was Frances colliery in Scotland.

The board had temporarily suspended agreements with the unions while it was assessing the state of individual collieries, he said. "In reality, this means that the board considers that it is absolutely free to close pits and declare redundancies in the immediate future."

"Only when it has got what it wants in terms of closures and job losses will it revert to operating within the framework of agreements for the industry."

The NCB's tactics went far further than breaching the spirit of nationalisation, Mr Willis said. The breach of promise made to the supervisors' unions, Nacods, which had accepted the offer of a modified colliery review procedure, was disgraceful and dishonourable conduct. Even the Prime Minister had called the agreement sacrosanct.

Representatives of the NUM, Nacods and the colliery managers said last night that they had threatened to walk out of a meeting with Mr Merrick Spanton, the NCB's member for personnel, because he refused to give any guarantee that pit closures would be put into the existing review procedure while current problems exist.

NCB sources agreed last night that talks on a new colliery review procedure were going well and that a further meeting would be held next week at the insistence of the unions.

Mr Spanton announced a £10 million agreement with the Manpower Services Commission for the re-training of up to 10,000 miners for skilled jobs over the next three years.

Under the contract, NCB staff who take voluntary redundancy will be offered re-training at Skillscentres. It could cover engineering and electronics, but there is particular emphasis on new technology.

Mr Spanton emphasised that any miner could apply, although whether he would be accepted depended on the needs of the coal industry. The scheme is seen unofficially as best applied to miners under 50.

Mr Bryan Nicholson, the MSC chairman, said that he hoped most retrained miners would get skilled jobs in other industries. The present job success rate of people on skilled courses is 50 per cent and rising, according to the MSC.

Michael Parks added: Nearly 2,000 miners at two Yorkshire collieries were still on strike yesterday, over the sacking of four miners for intimidation during the strike.

Pickets at South Kirkby and Ferrybridge ridings pits near Pontefract, allowed deputies to cross their lines yesterday, after the coal board had warned the NUM that it would not be able to maintain safety standards without their help.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

The British and German governments have already quietly distanced themselves from the US action. One British official said the trade sanctions were entirely a matter for the Americans and Nicaraguans.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

The British and German governments have already quietly distanced themselves from the US action. One British official said the trade sanctions were entirely a matter for the Americans and Nicaraguans.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

The British and German governments have already quietly distanced themselves from the US action. One British official said the trade sanctions were entirely a matter for the Americans and Nicaraguans.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

The British and German governments have already quietly distanced themselves from the US action. One British official said the trade sanctions were entirely a matter for the Americans and Nicaraguans.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

## Go-ahead for BP's beauty spot oilfield

By Paul Brown

Plans to sink four test oil wells in an area of outstanding natural beauty in the middle of Poole Harbour, Dorset, will go ahead despite the Department of Environment's failure to consider the matter under new guidelines.

Conservation groups said that the decision was "outrageous" and made a mockery of the Government's claim to be concerned about the environment.

The drilling is part of BP's plans to increase production on its Wytech Farm oilfield from 4,000 to 40,000 barrels a day making it the largest on shore oil field in Europe. If the reserves live up to computer predictions, the company hopes to sink up to 30 oil wells on Furse, a rate of one an acre.

A number of conservation groups had written to Mr Patrick Jenkin, the Environment Secretary, asking him to intervene after Dorset County Council gave planning permission on April 13. Miss Nicola Frank from the Council for the Protection of Rural England, said the site was designated of outstanding natural beauty, was of special scientific interest and was part of the Dorset Heritage Coast.

On all those grounds it came within the department's new rules on "exceptional circumstances" where such applications would be called in. The department had simply ignored its own guidelines.

Mr Charles Secrott of Friends of the Earth said: "The decision is obviously outrageous. For a site of national importance not to be called in makes a mockery of any concern the department claims, and their new guidelines."

"Patrick Jenkin has abdicated his responsibility as a Government minister. He should be balancing national priorities between conservation and exploitation of resources but quite simply he does not care."

He added: "If he does not interfere here, one is entitled to ask where he will intervene. Is anywhere safe?"

A department spokesman said that the country had considered the matter carefully. It was always open to people to make representations to Mr Jenkin but he did not intend to intervene at this stage. It would be considered again if planning permission was sought for new wells.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

The British and German governments have already quietly distanced themselves from the US action. One British official said the trade sanctions were entirely a matter for the Americans and Nicaraguans.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

The British and German governments have already quietly distanced themselves from the US action. One British official said the trade sanctions were entirely a matter for the Americans and Nicaraguans.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

The British and German governments have already quietly distanced themselves from the US action. One British official said the trade sanctions were entirely a matter for the Americans and Nicaraguans.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

The British and German governments have already quietly distanced themselves from the US action. One British official said the trade sanctions were entirely a matter for the Americans and Nicaraguans.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

The British and German governments have already quietly distanced themselves from the US action. One British official said the trade sanctions were entirely a matter for the Americans and Nicaraguans.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

German officials, however, have left no doubt that the Government here strongly disapproves of trade sanctions in general.

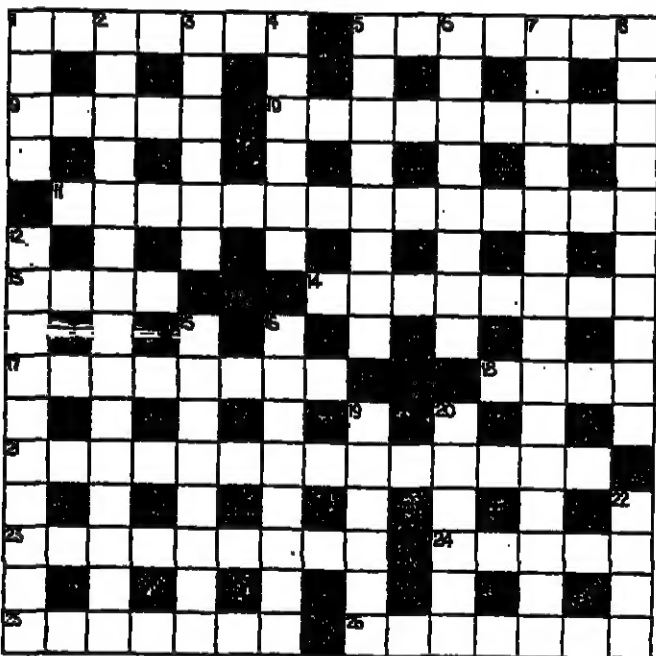
The British and German governments have already quietly distanced themselves from the US action. One British official said the trade sanctions were entirely a matter for the Americans and Nicaraguans.

Our impression is that we are not expected to take part. We have not come under any pressure from the Americans on this," he said.

A German spokesman said his government was told in advance of the boycott, which was announced here just after President Reagan arrived. He said that there would be no response in Bonn "until we know in detail why the Americans acted."

## GUARDIAN CROSSWORD 17,226

CUSTOS



- ACROSS
- 1 Drink on excursion causes one to fall (5, 2).
  - 5 I've lost a member, a member with post place on golf-links (7).
  - 9 Quietly crave for the black stuff (6).
  - 10 Botanical tree-garden produced tamarind, initially, with wake-robin about (9).
  - 11 Individual drunkards on call, sort of (6-2-6).
  - 13 Enid, having lost weight, follows one with skill (4).
  - 14 Member of audience set out in a ship (8).
  - 17 Stories circulating about unanswerable questions (8).
  - 21 Trained king to take part in plot (4).
  - 22 Having greater influence before mere English sailor (14).

CROSSWORD SOLUTION 17,225

ACROSS

- 1 DRINK
- 5 LOST
- 9 CRAVE
- 10 TAMARIND
- 11 DRUNKARDS
- 13 ENID
- 14 SHIP
- 17 QUESTIONS
- 21 KING
- 22 INFLUENCE

## Miles faces chess defeat

British grandmaster Tony Miles is in danger of a surprise elimination from the new world chess series after a poor start at the Carthage International in Tunisia. Miles drew his first three games, then lost with the white pieces to Alonso Zapata, of Colombia.

## Hospital to reopen

Mildmay Mission Hospital in Shoreditch, east London, is to reopen after its closure two years ago in health service economy cuts.

## 'Nationalisation' plan for business rates

Continued from page one

position more than a month ago when the poll tax proposal was first put to ministers meeting